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March 1, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk / Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Blue Granite Water Company's Request for Approval of Water and Sewer
Agreements
Docket No. 2019-257-WS

Dear Ms. Boyd:

For the Commission's information, pursuant to Order No. 2019-727, Blue Granite Water Company is filing herewith a Water Management Plan pertaining to the Lake Wylie area. The Water Management Plan is also being provided to the Office of Regulatory Staff.

Kind regards,


Sam Wellborn

SJW:tch

Enclosure

cc w/enc: Jeffrey M. Nelson, ORS Chief Legal Officer (via email)
Carrie Grube Lybarker, S.C. Dept of Consumer Affairs (via email)
L. Becky Dover, S.C. Dept of Consumer Affairs (via email)
Donald H. Denton, President (via email)

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LAKE WYLIE WATER MANAGEMENT PLAN

February 29, 2020



blue granite
water companySM

Water System ID: SC4650006
Owner: Travis Dupree
130 S. Main Street – Suite 800, Greenville, SC 29601
Greenville County
864-203-0237
Travis.Dupree@bluegranitewaterco.com

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Blue Granite Water Company Water Management Plan

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EXECUTIVE SUMMARY

Water planning is an essential function of Blue Granite Water Company (Company) and is critical as York County has experienced a high level of continued growth, which increases water demand and a strain on infrastructure. The South Carolina Primary Drinking Water Regulations – Reg. 61-58 (DWR) require a Management Plan as a part of the initial planning of a public drinking water system, while there are no specific requirements that water agencies conduct long-term planning, it is an invaluable need for the Company to perform a Water Management Plan (WMP) to ensure adequate water supply and a high level of water quality for the current and future customers within the water system. The WMP documents the availability of an appropriate level of reliability of water service sufficient to meet the needs of the Company's customers during normal and peak demand periods. A long-term reliable supply of water is essential to protect the productivity of the Company's and Lake Wylie's customers as the area continues to grow into the future.

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Section 1 **WATER MANAGEMENT PLAN PREPARATION**

1.1 ***Basis for Preparing Plan***

In late 2019, the Company was requested by the Public Service Commission (PSC) to furnish a Water Management Plan in response to a request for approval of Water and Sewer Agreements between the Company and a developer in Docket No. 2019-257-WS. The WMP is intended to serve as a general, flexible, and open-ended document that periodically can be updated to reflect changes in local water supply trends and water use efficiency policies. This Plan, along with other Company planning documents, will be used by Company staff to guide water use and management efforts on an ongoing basis.

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Section 2 SYSTEM DESCRIPTION

2.1 General System Area Description

The Lake Wylie Water System is located in the Northern Piedmont of South Carolina along the South Carolina and North Carolina border, encompassing approximately 20.8 square miles. This service area stretches from US Highway 557 to the state line and from Lake West to Bethel School Road and Riddle Mill Road. The Lake Wylie System began as the utility provider for the subdivision of River Hills and YMCA Camp Thunderbird, it has now expanded to include the entire Census Designated place of Lake Wylie, an affluent suburb of Charlotte NC, and much of its hinterlands.

2.2 Water System Facilities

The Company's water supply comes from wholesale supplies York County and the City of Charlotte. The Company's water system delivers water to one pressure zone and consists of transmission and distribution pipelines, and an elevated storage tank. A map of the system can be seen in Figure 2-1 and in Appendix A. These facilities include:

- Approximately 83.4 miles of transmission and distribution mains ranging in diameter from 2- to 16-inches;
- One 0.2 MG welded steel elevated storage tank

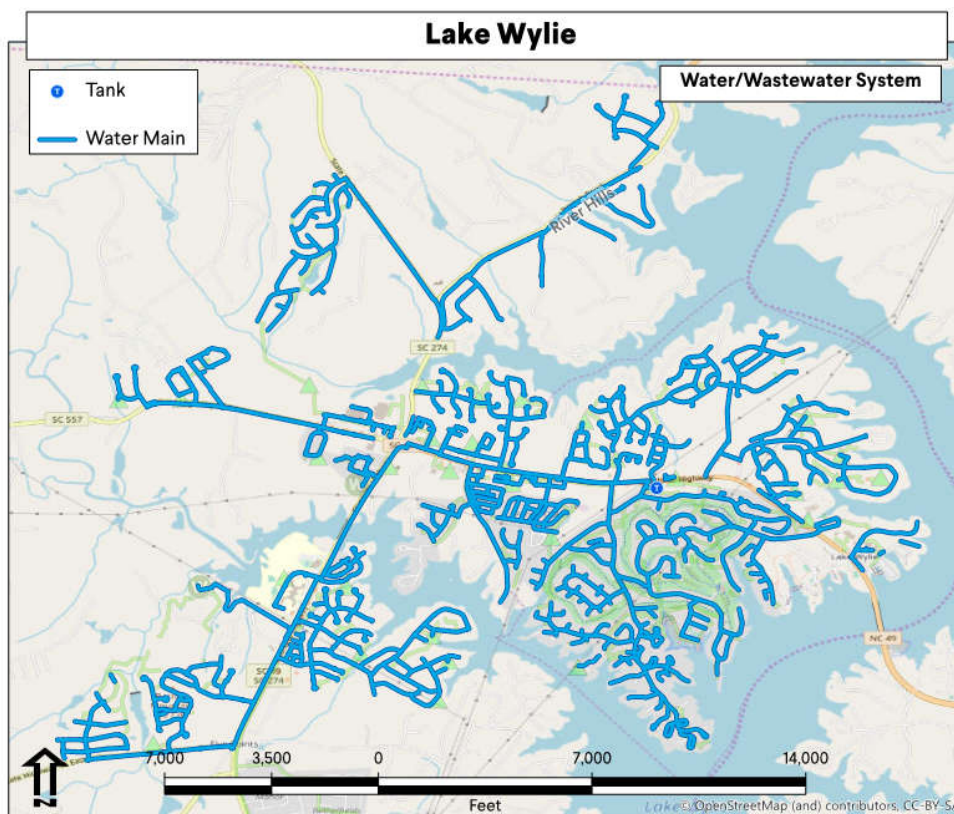


Figure 2-1 Lake Wylie Water Main Map

2.3 Legal Authority

2.3.1 Legal Structure

Regulations 61-58 through 61-58.17, collectively known as the State Primary Drinking Water Regulations, define "Public Water System" as quoted below;

(116) "Public Water System" means (1) any public or privately owned waterworks system which provides drinking water, whether bottled or piped, for human consumption, including the source of supply whether the source of supply is of surface or subsurface origin; (2) all structures and appurtenances used for the collection, treatment, storage or distribution of drinking water delivered to consumers; (3) any part or portion of the system and including any water treatment facility which in any way alters the physical, chemical, radiological, or bacteriological characteristics of drinking water; provided, that public water system shall not include a drinking water system serving a single private residence or dwelling. A separately owned system with its source of supply from another waterworks system shall be a separate public water system.

Table 2-1 depicts the Company's water system information that demonstrates it is considered a Public Water System.

Table 2-1: Public Water System			
Public Water System Number	Public Water System Name	Number of Connections January 1, 2020	Volume of Water Supplied 2019 (MG)
SC4650006	BGWC Lake Wylie Area	4,864	332.7

2.3.2 Service Area

The Company's water service area boundaries are depicted in Figure 2-2, which are consistent with the Company's boundaries. In small areas of the Lake Wylie System no waterlines have been installed, therefore these residents maintain private well water supplies. This service area is codified in the May 2nd, 2018 franchise agreement with York County.



Figure 2-2 BGWC Lake Wylie Service Area

2.3.1 Legal Authority

On May 2nd, 2018 the Company entered into a Franchise agreement to maintain and operate York county's water and sewer facilities within the service area of Lake Wylie. A copy of the franchise agreement can be seen in Appendix B.

2.3.2 Orders Affecting Control

Beyond the May 2nd, 2018 franchise agreement, the company has no pending or anticipated legal orders affecting the control or ownership of the company service area.

2.3.3 Organizational Chart

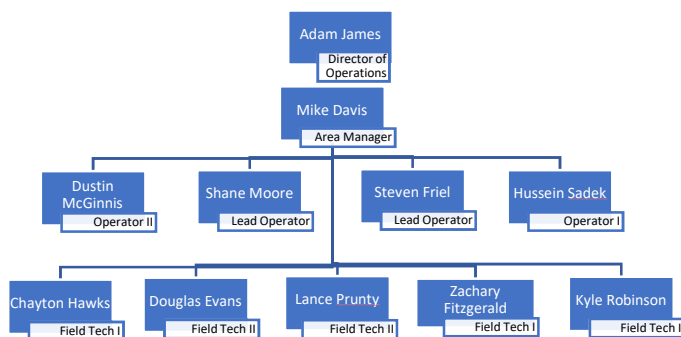


Figure 2-3 Organization Chart – Lake Wylie

2.3.4 Management Qualifications

Bryce Mendenhall, Vice President, Operations - Atlantic BU*

Travis Dupree, Vice President, Project Management & Engineering – Atlantic BU*

Adam James, Director of Operations – Supervisor: Bryce Mendenhall*

Mike Davis, Area Manager*

Rebecca Coates, Compliance Manager*

*Resume is available upon request.

2.3.5 Lake Wylie Employee Certifications

Dustin McGinnis, Operator II
3 Years of Experience
Grade C Wastewater
Grade D Water
Grade T Distribution

Shane Moore, Lead Operator
8 Years of Experience
Grade B Wastewater
Grade C Water
Grade C Distribution

Steven Friel, Lead Operator
13 Years of Experience
Grade B Wastewater
Grade D Water
Grade D Distribution

Hussein Sadek, Operator I
1 Years of Experience
Grade A Wastewater
Grade B Water
Grade A Distribution

Douglas Evans, Field Tech II
2 Years of Experience
Grade D Wastewater
Grade C Water
Grade T Distribution

Lance Prunty, Field Tech II
4 Years of Experience
Grade T Wastewater
Grade D Water
Grade T Distribution

Zachary Fitzgerald, Field Tech I
2 Years of Experience
Grade T Wastewater
Grade D Water
Grade T Distribution

Kyle Robinson, Field Tech I
5 Years of Experience
Grade C Wastewater
Grade C Water
Grade C Distribution

Chayton Hawks, Field Tech I
0 Years of Experience

2.4 Service Area

The Company's water sources are purchased from the City of Charlotte, and from York County, which purchases water from the City of Rock Hill. The City of Charlotte draws surface water from Mountain Island Lake and Lake Norman, The City of Rock Hill draws surface water from Lake Wylie. The Company owns, operates, and maintains 440,393 linear feet of water mains, currently has one (1) elevated storage tank and maintains approximately 4,864 customer connections.

2.4.1 Land Use

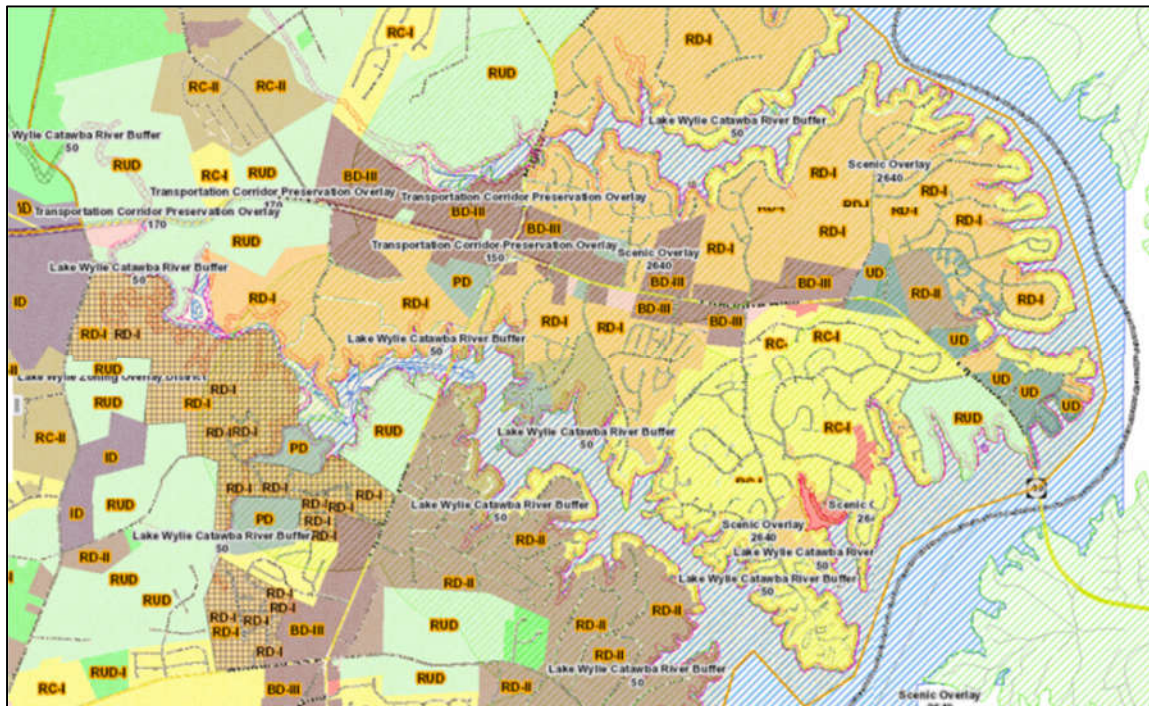


Figure 0-1 Zoning Map

Land use within the Company's water service area consists of a combination of residential, commercial, public/semi-public open space, and specific plan area. The majority of the Company is residential development, consisting of single-family housing, with some commercial acreage.

Based on historical growth within the Company boundary, it is expected that single family will continue to account for the majority of new growth during the planning horizon, with associated commercial developments. Currently, the water system is approximately 70% percent built out.

2.4.2 Climate

The Company's service area lies within South Carolina's Northern Piedmont with a climate similar from other areas of South Carolina. The climate can be described as humid and subtropical, characterized by hot, humid summers and cool, dry winters.

A regional network of weather stations provides climate data throughout the watershed. Annual variations in precipitation and air temperature, for Lake Wylie, SC, are shown in Table 2-2.

Average annual rainfall in York County is 38.9", March and August experience the highest rainfall averages. Snow also falls during winter months but is minimal. Table 2-2 summarizes area temperatures and precipitation data.

Table 2-2: Company Average Temperatures and Precipitation														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total or Average
Temp (°F)	Max	52	59	69	76	84	89	89	89	83	73	64	55	74
	Min	33	39	40	47	55	64	70	68	58	50	42	36	50
Rainfall (inches)		3.2	3.3	3.5	3.2	3.1	3.2	3.2	3.5	3.4	3.1	3	3.2	38.9
Snowfall (inches)		1.1	0.5	0.3	0	0	0	0	0	0	0	0	0.1	2

Section 3 SYSTEM WATER USE

3.1 Water Demand for 2019

3.1.1 Gross Water Use

The table below shows the annual usage for 2019 by usage type. The majority of the use is through residential connection, followed by commercial use, and irrigation representing approximately 1% of the billed use type. Water losses account for approximately 15% of the total water purchased during 2019.

Table 3-1: Demands for Potable - 2019 Actual	
Use Type	Volume (MGY)
Commercial	116.5
Commercial Irrigation	0.3
Residential	213.9
Residential Irrigation	2.0
Losses	60.8
TOTAL	393.5

3.1.2 Build Out

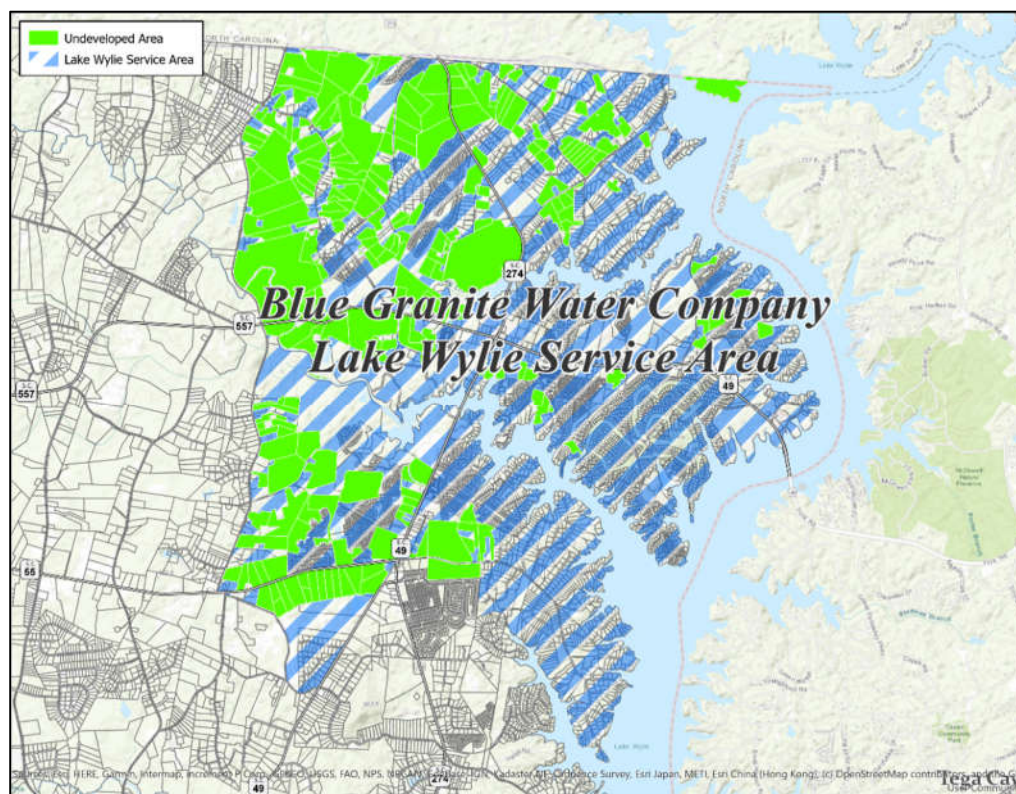


Figure 3-1 BGWC Service Area Build Out

The utility service area is a semifixed boundary for the growth available to a utility company so it is pertinent to understand its potential for future growth. Through an analysis of property data, consideration of near future developments, and discussions with consultants familiar with the area it was concluded that approximate 5.35 square miles of the 17.26 square mile service area remain undeveloped. These areas are shown in figure 3-1.

3.2 Water Supply

3.2.1 Water Sources

The Company obtains all water supply from local surface waters from Lake Wylie via York County and Mountain Island Lake/Lake Norman via the City of Charlotte. Water enters the system from two master meters. The master meter for the York County supply is located near the intersection of Lake Wylie Road and US Highway 49 on the south of the system. The pressure at the York County water meter ranges from 63 psi to 49 psi

The master meter from the City of Charlotte is located on the east of the system near the US 49 Highway Buster Boyd Bridge over Lake Wylie. The meter is 8-inches in diameter and is capable of supplying 2.0 MGD at 90 psi.

A potential connection can be made with the Town of Clover to the west of the system in the future if desired by the Company and is discussed in Subsection 4.3.7.

3.2.2 Water Supply Quantity Reliability

There have been 3 water supply failures that occurred during 2018 and 2019 calendar years. In 2018 the City of Rock Hill experienced a failure at the water treatment plant, which caused loss of water for residents in a third floor of an apartment building. In 2019, York County identified a valve, which was partially opened, which was allowing water to be pulled from the supply to the Lake Wylie water system. This failure caused water loss for the same residents as in 2018. In 2019, The City of Rock Hill experienced a main transmission line failure leaving the water plant. This caused 150,000 residents to be without water in York County. The Company had recently completed the water supply connection with the City of Charlotte, which allows the Lake Wylie system to maintain water service during the large scale outage.

3.2.3 Water Quality of Existing Sources

As required by the Safe Drinking Water Act, which was reauthorized in 1996, the Company provides annual Water Quality Reports to its customers; (A copy of the most recent WQR is include in Appendix C). This mandate is governed by the EPA and the SCDHEC to inform customers of their drinking water quality. In accordance with the Safe Drinking Water Act, the Company monitors a number of regulated and unregulated compounds in its water supply, as noted in the Company's most recent (2018) WQR. As bulk drinking water suppliers to the Lake Wylie water system, York County and the City of Charlotte are required to meet these requirements.

3.2.4 Water Quality Effect on Water Management Strategies and Supply Reliability

The Company has not experienced any significant water quality problems in the past and does not anticipate any significant changes in the future, due in large part actions undertaken by the bulk suppliers and the Company's operations staff to ensure clean and contaminant free drinking water entering the system.

3.3 Water Loss

Table 3-3: Company System Water Loss 2011 – 2019 (MGY)									
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water Supplied	252.7	269.1	244.5	266.7	314.1	359.6	359.4	383.3	393.5
Water Sold	231.8	249.5	234.9	242.6	260.2	312.7	299.5	332.7	332.7
Difference (System Loss)	20.9	19.6	9.6	24.1	53.9	46.8	59.9	50.6	60.8
System Loss Percentage	8.2%	7.3%	3.9%	9.0%	17.1%	13.0%	16.6%	13.2%	15.4%

The Company currently conducts routine and planned system maintenance to prevent losses.

The Company's water loss percentage suggests that un-calibrated water meters, service line breaks, leaking pipes, and other unusual events may be a factor within the Company's water system.

3.3.1 Accounted for/Unaccounted for Water Loss

System water loss is the difference between water production and water consumption and represents "lost" water. Distribution system losses can include both accounted-for and unaccounted-for losses attributed to unmetered water use, leaking pipes, or other events causing water to be withdrawn from the system and not measured, such as hydrant flushing, street cleaning, new construction line draining and/or filling and draining and flushing, and firefighting.

Accounted-for losses within the Company include the following activities that are known although not metered or charged for:

- Hydrant Testing and Flushing – Hydrant testing to monitor the level of fire protection available throughout the Company is performed by the York County Department of Fire and Life Safety. The company also performs hydrant flushing to eliminate settled sediment and ensure better water quality water. Water used during hydrant testing and flushing is not metered.

- Firefighting – Water used to fight fires is also not metered.

AWWA has formally abandoned the concept of unaccounted-for-water as an effective tool for managing system losses due to its unreliable application and inconsistent definition, citing all volumes of water, including water losses, can be accounted for. However, for the benefit of contrast to accounted-for losses listed above, the following are identified as unaccounted- for losses that may occur, although can be managed:

- Leakage – Water loss from system leakage from pipes, valves, pumps, and other water system appurtenances.
- Customer Meter Inaccuracies – Meters have an inherent accuracy for a specified flow range; however, flow above or below that range is usually registered at a lower rate. Meters also become less accurate with time due to wear.

The Company recently transitioned to a new AMI metering system, which will provide 24-hour customer usage. While the Company continues to work on this issue, it is not possible to identify an absolute accurate percentage of water loss for the most recent 12 months representing calendar year 2019. Table 3-3.1 shows the 12-month water loss audit reporting.

Table 3-3.1: 12-Month Water Loss Audit Reporting	
Reporting Period Start Date (01/2019)	Volume of Water Loss (MG)
1/1/19 - 12/31/19	15.45%

NOTES: The 12-month loss percentage is 15.45%, however, the average over last three calendar years is 15.10%.

The water loss for the past 12-month period is 15.45% percent; higher than the previous reporting period. Company staff anticipates that current practices and future capital improvement projects will help to reduce the percentage of system water loss. The Company will also utilize the methodology presented in the AWWA “Manual of Water Supply Practices, Water Audits and Leak Detection” to help reduce water loss to leaks.

3.4 Water Demand Projection

With approximately 69% of the Lake Wylie Service area currently developed it can be assumed that full build-out demand would translate to an approximately a 31% increase in current demand. Using a decreasing-rate-of-increase projection method, it was determined that by 2050 the average daily demand from supplies would be 1.54 MGD or 560.73 MGY and the service area would be approximately 98% built out. This projection can be seen in the Figure 3-2 and Table 3-4 below.

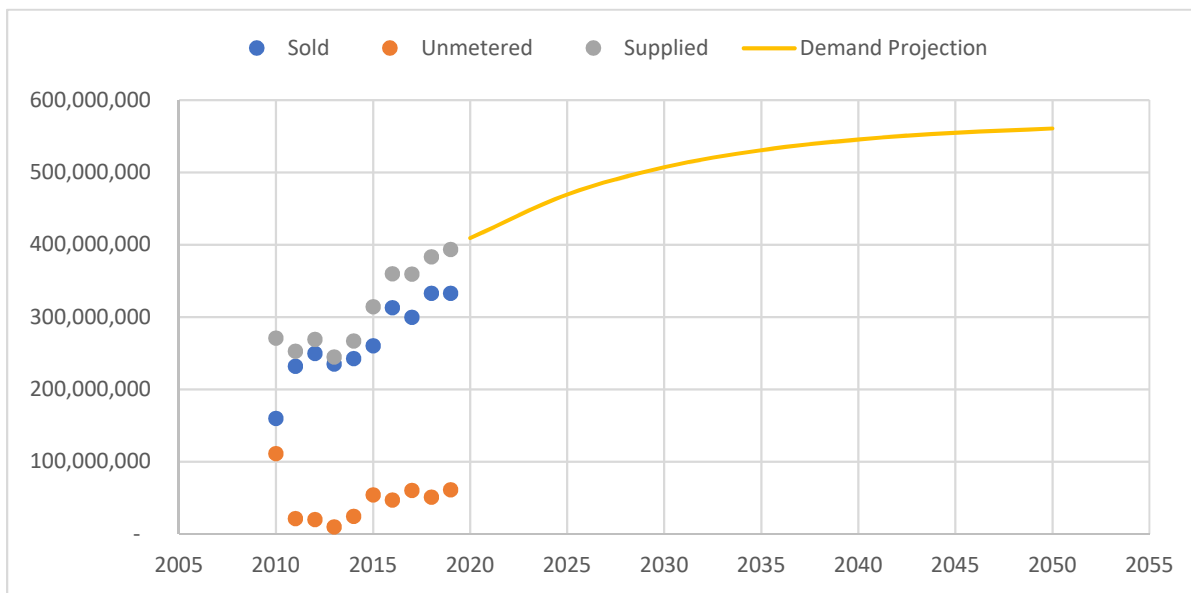


Figure 3-2 Water Demand Projection

Table 3-4 presents projected water demand for the years 2020 through 2050 by usage type.

Table 3-4 Water Demand Projection 2020-2050						
Water Usage (MGY)		2020	2025	2030	2040	2050
Sold	Commercial	124.2	142.5	153.9	165.6	170.1
	Residential	228.1	261.6	282.7	304.1	312.5
	Irrigation	2.5	2.8	3.0	3.3	3.4
Unmetered		53.2	61.0	65.9	70.9	72.9
Supplied		409.3	469.5	507.2	545.6	560.7

As stated earlier, there are currently residents in small areas of the service area that are not connected to the Lake Wylie water system, who draw water from private individual wells. As the service area develops and new waterlines are installed, it is expected that many of these residents will switch to the water system.

3.5 *System Monitoring*

The Area Manager and Lead Operator are responsible for the sampling and monitoring of the system to ensure that the requirements under all applicable regulations are met. The Regional Compliance and Safety Manager and the Water Quality Coordinator also provide oversight and guidance in this regard. A bacteriological sampling Plan is established for the system which is followed by the operator in monthly sampling and reporting. Required monitoring for disinfection byproducts and for lead and copper also requires a sampling site plan particular to the distribution system. In addition, every entry point is sampled for inorganics, VOCs, SOCs and radiological parameters according to the specific monitoring schedule assigned to that water source. A state certified laboratory analyzes all samples and electronically transmits the result to the South Carolina Department of Health and Environmental Control (SCDHEC). Copies of all lab analyses are retained on files for specified period of time according to SCDHEC.

3.6 *Water Shortage Contingency Plan*

South Carolina's extensive system of water supply infrastructure, its reservoirs, groundwater basins, and inter-regional conveyance facilities, mitigate the effect of short-term dry periods. Defining when a drought begins is a function of drought impacts to water users. Drought is a gradual phenomenon. Although droughts are sometimes characterized as emergencies, they differ from typical emergency events. Droughts occur slowly, over a multiyear period. The impact of a drought is directly proportional to the length of a drought, as carry-over supplies in reservoirs are depleted and water levels in groundwater basins decline. In addition to climate, other factors that can cause water supply shortages include earthquakes, chemical spills, and energy outages at treatment and pumping facilities. The Company has included the probability of catastrophic outages in its reliability planning.

On May 30, 2019, the Company adopted a Water Conservation Protocol (same as Water Shortage Contingency Plan) to respond to the Governor's Proclamation declaring a drought State of Emergency to exist in South Carolina due to severe drought conditions. The Company's Water Conservation Protocol (Appendix D) is summarized as presented in this chapter.

3.6.1 *Water Conservation Program Coordination and Staffing Support*

The Company has a designated Communications & Community Relations Coordinator who is responsible for coordination of water conservation and water use efficiency activities and programs for the benefit of the Company's residents and businesses, as well as conservation ordinances and plans.

Conservation Coordination Contact:
Den Clark - Communications Manager
deb.clark@coprixgroup.com
(704)-525-1620
130 S. Main Street – Suite 800
Greenville, SC 29601

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Section 4 **MANAGEMENT**

4.1 ***Management Training***

Both in-house and outside training opportunities are provided to encourage professional development of the management and operations of staff. All personnel associated with water system operation complete the required continuing educational hours or professional growth hours annually. Training courses sponsored by the South Carolina Rural Water Association, the American Waterworks Association, and the Water and Wastewater Operators Association are regularly attended in addition to seminars providing management training, safety training and related topics. The company also conducts in-house training for managers and operators on safety, operations, water quality and management subjects. This training is performed Company personnel or by outside training companies on numerous relevant topics

4.2 ***Policies***

The operation of all water systems managed by the company is performed in accordance with the rules and regulations of the SC Department of Health and Environmental Control, and the Public Service Commission. This includes policies for record keeping, reporting, rate schedules, cross connection control, quality of water, pressure requirements, service connections, main extensions, discontinuance of water service, information to customers, methods of measuring service, information on bills, interruptions of service, etc. The company also maintains guidelines, standards and specifications for the construction and operation of water systems. These materials can be found in the Company standards and specification manual and on standard detail drawings, the standards, and specifications accompany all submittals to SCDHEC for extensions, additions, or new developments. The company has qualified in-house engineers to review system designs and modifications as well as other engineering consultants on retainer to ensure that these standards are adhered to and are updated with the best available technologies and practices.

4.2.1 **Cross Connection Control**

The goal of protecting our water system from potential back flow events prompted the company-wide Cross Connection Control program. The overall program is designed to provide customer education on methods of preventing cross connections and will seek information from customers on potential hazards posed by their water uses. A Cross Connection Specialist is responsible for assessing the potential degree of hard for cross connection posed by a particular service connection and requiring the installation of the appropriate backflow prevention assembly in accordance with State Primary Drinking Water Regulations R.61-58.7(F). Annual testing of backflow prevention devices is enforced in accordance with the Cross Connection Control Program.

4.2.2 **Customer Information and Complaints**

The customer service representatives are responsible for routine customer contact. Methods

employed for this consist of flyers or notices sent during normal invoicing events, door hangers, or telephone calls. Customers have access to a 24-hour complaint or emergency reporting system. By dialing the toll-free number, a customer will be connected to a customer service representative or to an after-hours communication service that will provide a return call response to the complainant. If the complaint involves a leak or a water emergency, operations personnel will generally contact the customer directly to obtain more information. Perhaps the best customer information tool is operator presence in the system managed by the company. The familiar white trucks and regular presence of operations personnel in each system allow frequent contact between the Company and its customers. Interaction with the customers is encouraged while standards of appearance and conduct for Company personnel is mandated.

4.2.3 Public Education and Outreach

Public Communication Measures

The Company works collaboratively with York County to provide outreach, educational and informational materials and literature, and water use efficiency programs. Program and support include:

- Conservation and water use efficiency information promoted on the following websites:
- Company: <https://www.myutility.us/bluegranitewaterco>
- Host community events bi-annually to distribute conservation and water use efficiency information.
- Public Information and Education Programs:
- Host and staff workshops on conservation, and sponsor and hosts public events and booths at community functions.
- Outreach, educational, informational materials and literature, public service announcements, and paid advertisements promoting water conservation to the public throughout its service area, including articles in newsletters, Chamber of Commerce publications and regional newspapers.
- Provide flyers and bill inserts, and other promotional materials to customers. Bill inserts are distributed several times annually to all service connections.

Community Events

- Hold Semi-Annual Customer Drop-Ins in the Lake Wylie Area
- Water Service Day – Cleaning the shoreline and trails at McDowell Nature Preserve on Lake Wylie
- Seeking out HOA Meetings to attend
- Social Media and Website Education

- Oakridge Middle School – School supply drive/donation
- Lake Wylie Mayday Project Fundraiser Sponsorship
- Donation to the new York County Recreation Park

Water Association Education and Outreach

Company staff also participates in the South Carolina Water Associations, which provides a forum for water resource education on local, state and federal issues and regulations and the exchange of ideas, education, and mutual support of its membership. The mission of the South Carolina Water Associations (<https://www.scwaters.org/>) is “is to provide solutions to protect, enhance, and effectively manage our state’s water resources, as well as deliver quality services to advance the water environment profession.”

4.2.4 Rate Structure

The South Carolina Public Service Commission (SC PSC) sets utility rates consistent with applicable laws and regulations within its jurisdiction. According to SC Code of Laws Title 58 and SC Code of State Regulations Chapter 103. The Schedules of Rates for the Lake Wylie service area are attached in Appendix E.

4.2.5 Response and Notification

In the event that routine monitoring indicates that a water system has exceeded a water quality standard, public notice made in accordance with Regulation 61-58, State Primary Drinking Water Regulations. The Area Manager and Lead Operator consult with the Regional Compliance and Safety Manager and the Water Quality Coordinator in issuing each notice containing the mandatory health effect language for each particular contaminant as required by the regulations. Within 24 hours of knowledge of a positive fecal coliform sample result or a nitrate level over the MCL or an outbreak of a waterborne disease, all of which can cause immediate acute health effects, Tier 1 public notification is made by hand delivering the required notice or by activating the automated telephone communication system for those affected customers. In the case of an ongoing MCL violation which can have adverse health effects over a long period of exposure, Tier 2 public notification is made within 30 days of knowledge by directly mailing the required notice to customers. Quarterly public notification and monitoring continues as required until the violation is resolved. In the case of a monitoring violation, Tier 3 public notification is accomplished by including the required public notice in the annual Consumer Confidence Report and directly mailing these to customers. In addition to this public notification protocol, an elevated sample result from a customer's residence for those contaminants regularly sampled from the distribution system triggers a direct notification to those individual customers within 48 hours of knowledge of the results as required by regulations. In the case of Lead & Copper monitoring, direct notification to that lead sample result is made to each customer who participated in this sampling regardless of the level of lead detected. A copy of the notification is sent to SC Public Service Commission, SC DHEC, and Office of Regulatory Staff verifying in each instance that the required public notification has been properly made.

4.2.6 Customer Connection, Disconnection

New customer connections are made on a request basis for existing systems are provided for all customers in new developments. Water taps are made where necessary and meters are set according to the standard specifications for the Company. Service are evaluated for potential cross connections such as the existence of a private well in which case the plumbing from the private well must be physically disconnected from the household plumbing before service will be initiated. If a moderate or high hazard for potential cross connection exists, the appropriate backflow prevention assembly will be specified. Should the disconnection of existing service be required due to non-payment, a notice is mailed to the customer's residence 10 days in advance of the scheduled disconnection date. To provide the customer another chance to make payment, the company allows payment to be made by Western Union wire transfer prior to 4:00p.m. on the date noted on the door hanger. Following disconnection of service, a door hanger is left at the residence to provide information regarding the reconnection charge required in order to reactive service.

4.2.7 Billing, and Collection

Billing is made in arrears and is mailed on a monthly basis. Bills are due 21 days from the date on the invoice. In most cases, past due bills are subject to a late penalty of 1% per month when 25 days past the due date. Unless a graces period is extended by the Company, a notice of disconnection may be given and service may be disconnected. The Company extends every opportunity to allow convenient pay of monthly bills, including monthly drafts from a customer's checking account. New customers are charged a deposit unless they are able to provide sufficient evidence of a satisfactory credit. No collections are made in the field.

4.2.8 Safety Procedures

The Company has a comprehensive, dynamic safety program that is updated on a regular basis. Designated staff representing each area participate in a monthly meeting of the safety committee. The safety committee's meetings provide a forum for discussion of any relevant safety topics or issues in job processes or facilities along with resolutions. Each Area Manager and/or Lead Operator hold a monthly safety training session with all employees to provide an educational refresher and/or training on requirements regarding safe work procedures, practices and safety programs and/or to provide training of new procedures and practices introduces to the workplace. More frequent "toolbox talks" are utilized to keep safety on the forefront of each individual and to stress the importance of safety. Area Managers are responsible for maintaining and operating all facilitates in a safe and secure manner that meets company standards as outlined in the *Corix Companies, Inc Operations Safety Manual*. In addition, the Area Manager and Lead Operator are responsible for conducting annual facility safety inspections on all facilities in order to identify potentially unsafe conditions and implement corrective measures to eliminate or reduce the risk for employee injury and illness.

4.2.9 Metering

All service connections within the Company's water service area are provided with water

meters. Standard Conditions of Approval for new development include a premise to have water meter(s) prior to the issuance of water service. All new developments are required to purchase a hydrant meter for filling of any new systems for testing and system initialization. Additionally, water trucks are required to request a hydrant meter from the Company to meter water usage.

There are no unmetered water service connections within the service area. The Company's meters are classified into four sectors including residential (combining both single and multi-family), commercial (including institutional), industrial and irrigation (combining both agricultural and non-agricultural). Residents in small areas of the Company that do not currently have private drinking water wells. Any unmetered use generally occurs at fire hydrants or from distribution system breaks.

The Company performs meter reading, repair, replacement and calibration on a routine basis and when specifically reported by Company customers. The Company continues to budget and schedule annual meter replacements for older meters as part of its Meter Replacement Program. All water meters in The Lake Wylie water system were converted to AMI. This included replacing 4591 meters and adding MIU's to existing meters to read continual usage 24-hours/day. Routine tests on existing meters are performed for accuracy and reliability. Meter repair, replacement, and calibration activities help to ensure that customers are paying for all the water they consume, which results in water conservation.

4.3 *Capital Improvements*

The Company continually reviews practices that will provide its customers with adequate and reliable supplies. Trained staff provide safe reliable water, which meets present and future needs in an environmentally and economically responsible manner. The Company also works closely with York County and the City of Charlotte in water supply issues as well as water shortage contingency planning.

The Company anticipates water demands within its service area will increase over the next 20 years mainly due to population increases within the Lake Wylie service area. Water use efficiency measures (demand management measures) described in Section 9 of this plan have the potential to reduce overall demand on potable water thereby reducing overall per capita usage.

The Company performed water system modeling of the Lake Wylie Water System in the Fall of 2019 and identified a number of capital projects aimed at improving the Company's water supply reliability and enhancing the operations of the Company's facilities. These projects, which are referenced in the Company's Capital Improvement Program, include:

A number of proposed improvement projects have been identified to meet future demands in the River Hills service area. Each project identified is discussed in the sub-section below. SCDHEC requires that storage capacity should equal one half of maximum daily consumption which in the case of a 2.76 MGD max day demand would be 1.4 MG of storage. A map of proposed improvements can be found in Appendix F.

4.3.1 Interconnection with Charlotte Water

Charlotte Water has a 16-inch line on the Buster Boyd Bridge, with which the Company has interconnected. The connection could provide up to 2.0 MG of capacity to serve peak demand and future growth. The currently effective rate from Charlotte is lower than from York County. Initially opening this connection when the tank is 50% full would provide for 50% volume cycling per day. This project was completed in the fall of 2019.

4.3.2 Replace Existing Water Tank

This project would demolish and replace the existing tank 200,000 gallon storage tank with a 1.0 MG tank and approximately 200 LF of 10-inch line connecting directly to Highway 49. The proposed tank would retain the same existing top line elevation. The style of construction could be determined based upon life cycle costs; however, a leg or composite would work well. Keeping the tank in the same location has the least impact on public perception and if done during a period of low demand would not affect customer water usage. The existing site may not be large enough to accommodate the proposed tank. The Company is currently in the process of purchasing property for a new elevated water tank.

4.3.3 12-inch Connection along HWY 49

This project would connect missing sections of waterline along HWY 49 between Plantation Square and Lake Wylie Woods. Lakepoint Ridge has constructed a portion of this line as part of that development in anticipation of that project. The line would consist of two portions totaling approximately 3,000 LF of 12-inch waterline and would increase peak flow capacity by over 50%.

4.3.4 New West Elevated Storage Tank

This project includes construction of a new 0.5 MG tank on the Northwest side of the system along HWY 274 near the Mill Creek Falls subdivision. This tank would provide fire protection storage and a smaller pressure range in system operation. The new tank will provide water for the west portion of the system. A flow control valve is recommended on the York County connection to close it based upon tank level. The Charlotte Water connection would essentially fill the existing tank and the York County connection would fill the new tank.

4.3.5 Paddlers Cove Loop

The Paddlers Cove property extends from HWY 55 to Bethel School Road. As the property develops, the opportunity to tie Paddlers Cove's 12-inch main to an extended main line on HWY 557 will be available. This loop essentially doubles the capacity of the connection with York County when coupled with a line upgrade to an 18-inch equivalent diameter (as modeled) of approximately 3,800 LF from the master meter to Paddlers Cove Drive. The majority of this line will be developer driven but closing the loop will need to be completed by CWS. This will allow for less dependence on the Charlotte Water Connection.

4.3.6 North Loop (274 & 435)

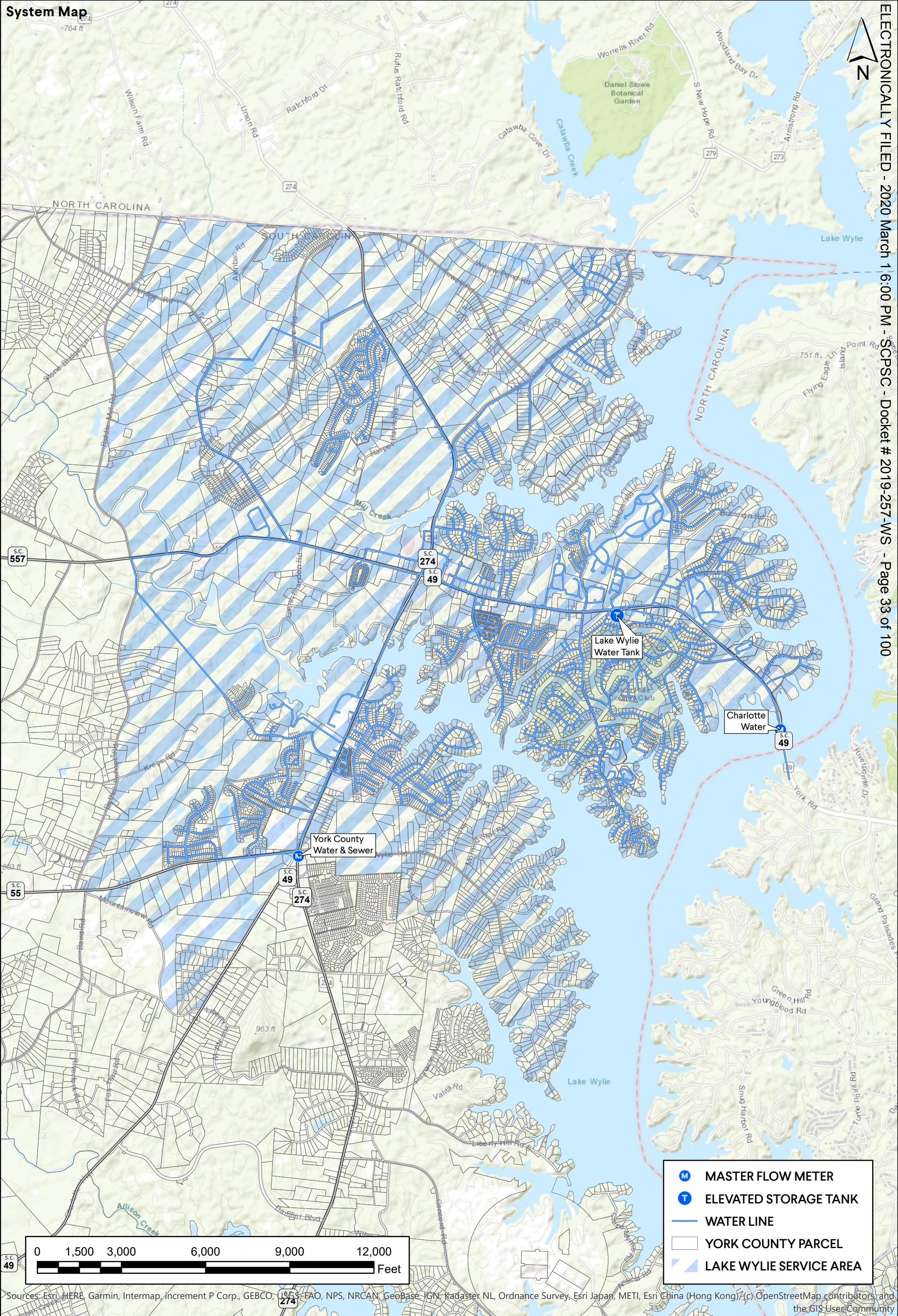
This project consists of approximately 13,300 LF of 12-inch waterline along Oak Ridge Road cutting through two proposed developments and a private easement to connect to the waterline on HWY 274. This loop feeds development inside the loop and allows for more capacity.

4.3.7 Interconnection with Clover Water System

The Clover water system (#4610006) has a line along the western edge of the CWS service area along HWY 557 and south along Bethel School Road ending at HWY 55. Fire flows along HWY 557 have static pressures indicating a higher HGL than York County and provide fire flows over 1000 gpm. An interconnection may be possible as residual pressures are above 60 psi. The City of Clover purchases water from Two Rivers Utilities in Gastonia, North Carolina. The source is Mountain Island Lake located off HWY 273 in northeastern Mount Holly, NC. An interconnection may delay the need for a water tank on the west side of the system or if rates are more favorable could mitigate purchasing water from Charlotte water. It provides another emergency connection. The feasibility of this connection also relies on confirming the compatibility of residual disinfection type and water quality.

Appendix A: System Map

System Map



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, Geobase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

Lake Wyle Service Area
Lake Wyle, SC

Appendix B: Franchise Agreement

WHOLESALE WATER SUPPLY AGREEMENT

THIS WHOLESALE WATER SUPPLY AGREEMENT ("Agreement") is made and entered into the 10th day of May, 2019, by and between Blue Granite Water Company, f/k/a, Carolina Water Service, Inc., a Delaware corporation, authorized to conduct business in the State of South Carolina (hereinafter referred to as "Company") and the City of Charlotte, a municipal corporation existing under the laws of the State of North Carolina acting through Charlotte Water, (hereinafter referred to as "City").

WITNESSETH

WHEREAS, Company is, pursuant to a certificate of public convenience and necessity issued to it by the Public Service Commission of South Carolina ("PSC") under S.C. Code Ann. § 58-5-210(2015) and 10 S.C. Code Regs. 103-704 (2012) and a franchise issued to it by the County of York, South Carolina ("County"), authorized to provide water service to the public for compensation in certain portions of York County and has situated therein an existing water system serving ___ equivalent residential connections in the Riverhills subdivision ("Service Area"); and

WHEREAS, the Company currently receives wholesale water supply service from the County for purposes of serving customers in the Service Area, but has requested an additional water supply; and

WHEREAS, Company desires to supplement its source of water supply provided by the County for the benefit of present and future customers in the Service Area to ensure a safe, reliable and sufficient water supply in circumstances where Company's existing water supply may be inadequate to meet its demand or under other circumstances where the acquisition of additional water supply is desired by Company, including but not limited to emergencies; and

WHEREAS, City is willing to sell and Company desires to purchase from City on a wholesale basis water for distribution through Company's system in the Service Area, as it now exists and as it may hereafter be expanded, extended or improved, in amounts necessary to meet all or part of Company's present and future requirements for the period of time and under the terms and conditions as hereinafter set forth; and

WHEREAS, the City is authorized under North Carolina law to provide the wholesale service contemplated hereby, but Company must obtain the approval of the PSC under 10 S.C. Code Regs. 103-743 (2012) in order to carry out the terms and conditions hereof,

NOW, THEREFORE, in consideration of the foregoing premises and the mutual undertakings as hereinafter set out, it is agreed by City and Company as follows:

I. TERM OF AGREEMENT

The term of this Agreement is for a period of Fourteen (14) years from the date of execution or until this Agreement is dissolved by mutual consent of City and Company. Upon consent of both parties this Agreement is renewable for one, ten (10) year period.

II. SALE OF WATER; VOLUME

(a) During the term of this Agreement, City agrees to sell to Company, and Company agrees to purchase from City, for the price herein specified, up to two million gallons per day of potable water for distribution through Company's existing system in the Service Area, or any additions thereto or any extensions thereof, subject only to the limitations set forth herein.

(b) City agrees to provide Company with potable water under this Agreement at a rate set forth in the current City Commercial Rates and Fees structure which currently includes a monthly Water Availability Fee, a Commercial Water Usage Charge, and a monthly Water Fixed Fee. The current rates and charges are: Water Availability Fee for an 8-inch meter of \$324.43 per billing cycle, a Water Usage Charge of \$2.81 per one hundred cubic feet of water (Ccf) which equals \$3.76 per 1000 gallons, and a Water Fixed Fee of \$4.45 per billing cycle.

(c) In order for the City to ensure proper water quality it requires the Company to purchase a minimum of 60,000 gallons for a maximum two-day period and a minimum total of one million gallons per billing cycle.

III. SYSTEM MAINTENANCE AND COLLECTION OF COMPANY WATER SERVICE CHARGES

City shall have no obligation to operate or maintain any of Company's system facilities or collect water service charges from any of Company's customers. Company agrees to maintain its own distribution and delivery system to service its customers and shall be solely responsible for collecting water service charges from its customers.

IV. WATER LINE AND WATER METERS

(a) Company shall design, permit and construct a 16-inch diameter potable water line and appurtenances per approved construction plans by City, which shall be owned, operated and maintained by City, such line to run from the end of the existing 16-inch water line at the approach to the SC 49 bridge near the edge of the Service Area within the State of South Carolina to a point designated by the City where it may be connected to the City's water meter described in subsection (b) hereinbelow. Such point of connection shall be designated so as to have the closest feasible proximity to the Service Area, taking into account the location of the City's available water supply lines with capacity to serve Company's needs. Company shall have sole responsibility for the design, permitting and construction, of this water line. The City will inspect, witness testing of, and approve the installation of the 16-inch water line and appurtenances. All issues shall be resolved to the satisfaction of the City prior to the activation of this water line. The Company will be responsible for all certifications necessary with regulatory agencies and other entities to place this water line in to service including establishment of proper ground cover and maintenance of proper erosion and sediment control measures.

- i. The Company shall execute a standard City Donated Assets Agreement with the City and pay all applicable system development fees, for the official transfer of this water line, appurtenances, and water meter to the City along with a one-year warranty from the time of activation against defects in materials and installation. The City will perform in conjunction with the Company a one-year warranty inspection of the water line, appurtenances, and water meter.

(b) Company shall furnish and install a water meter assembly specified by the City to measure the water delivered by City to Company, same to be no less than 8-inch in diameter. The 8-inch gate valve just downstream of the pressure sustaining valve vault is the designated point of connection and the end of the City's operation and maintenance responsibility. Company shall have the right to request an inspection of said water meter and to request such tests as may be appropriate so as to assure that such water meter is accurately measuring the water delivered to Company. These tests will be conducted by the City within 30 days of the request. Company will be notified by City prior to testing and Company shall have the right to witness said tests. City shall have the right to have its representatives read the water meter within its appropriate monthly read and billing cycle. In the event it should appear during any period that the water meter has failed to measure accurately the water passing through the same, then the amount of water delivered to Company during such period shall be computed by taking into consideration readings when the water meter was functioning properly and, if it appears that this method will not produce an equitable bill, taking into consideration the water meter readings for the same month(s) of the previous year, or similar month of the same year if not previous year experience exists.

(c) Backflow Prevention – The Company shall have an 8-inch Reduced Pressure Principle Backflow Preventer installed after the City Meter assembly pursuant to the City backflow codes, policies and guidelines. The backflow device shall be tested on a minimum of an annual basis and the results of the tested report to the City promptly. If there are any issues with the backflow device, the device must be repaired promptly.

(d) Pressure Sustaining Valve – The Company shall furnish and install a pressure sustaining control valve approved by the City in a vault directly downstream of the meter. All design, permitting, testing and setup of this control valve along with a one (1) year warranty shall be paid for by the Company.

(e) City Easement – The Company shall obtain an easement in the name of the City of Charlotte for any assets sitting outside the road ROW of SC 49 to include the water meter and pressure sustaining valve and appurtenances. The easement agreement needs to be the standard City easement agreement for such purposes.

V. PAYMENT

Company shall pay to City based upon current City rates, fees and charges pursuant to City Code and policies for water supplied during the preceding calendar month. The rates charged by City to Company shall be those specified in Section 2 above (Sale of Water).

VI. PAYMENT DEFAULT

If Company fails to pay the amount of the charges for water delivered within the period herein provided, then City shall have the right to cease delivery of water at any time pursuant to the City's current delinquent water bill turn off process or similar process for the same primary reason.

VII. FORCE MAJEURE

(a) If either party is rendered unable, wholly or in part, to carry out its obligations under this Agreement by force majeure, and if the affected party gives notice and full particulars of such force majeure in writing by certified mail to the other party within reasonable time after occurrence of the event or cause relied upon, the obligation of the affected party, so far as the obligation is affected by force majeure, shall be suspended only during the period of the inability then claimed. The affected party shall remove or overcome such inability with all reasonable dispatch.

(b) "Force majeure" shall mean acts of God or nature, strikes, lockouts, or other industrial disturbances; acts of a public enemy, orders of any kind of the Government of the United States or the States of North Carolina or South Carolina or any civil or military authority; insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances and explosions; malfunctions of machinery and pipelines; partial or entire failure of water supply, or inability of City to deliver water hereunder, of Company to receive water hereunder, on account of any other causes not reasonably within the control of the party claiming such inability.

(c) If City is unable to produce the volume of water provided for in Section II above due to force majeure, it shall prorate the water available to it between Company and City's other customers based upon relative consumption during the immediately preceding year; City shall not be obligated to deliver to Company any water in excess of its share under such proration.

VIII. DEFAULT/BREACH

In case of default (other than non-payment by Company) by either party, the non-defaulting party must give written notice of the default to the defaulting party. After notice of default has been given, the defaulting party shall have ten (10) days to correct its default before the non-defaulting party may treat the default as a breach of this Agreement. No failure to initiate action as to any breach of this Agreement shall be deemed a waiver of any right of action.

IX. DROUGHT RULES

Company agrees to impose on its water customers the same rules and regulations which City may impose on City's water customers during times of drought as declared by the Catawba-Wateree Drought Management Advisory Group. Such rules may include, but shall not be limited to, such emergency measures as bans on water sprinkling, hydrant flushing, car washing and similar uses. City covenants and agrees to use all resources reasonably available to it to meet its obligations under this Agreement and covenants and agrees to treat all municipal customers on the same basis with respect to such rules, regulations and emergency measures.

X. PSC APPROVAL

City acknowledges that the effectiveness and enforceability of this Agreement is contingent upon Company's receipt of the approval of the PSC. Company shall submit this Agreement to the PSC for such approval within ten (10) days of its execution by City. City agrees to cooperate with Company in its efforts to obtain such approval, including the submission of a written declaration, affidavit, or testimony in support of same by an appropriate City official, officer, representative or employee, but shall not be required to incur any third-party costs in so doing.

XI. NOTICES

All notices or other communications hereunder shall be sufficiently given and shall be deemed given as follows: (i) on the date of delivery when hand-delivered to the parties named below; or (ii) three (3) days following the date when mailed by certified or registered mail, postage prepaid, and addressed as follows:

If to City:

Charlotte Water
Attn: Angela Lee, Director
4222 Westmont Drive
Charlotte, NC 28217

If to Company:

Blue Granite Water Company
Attn: Catherine E. Heigel, President
130 South Main Street, Suite 800
Greenville, SC 29601

Rejection or other refusal to accept or inability to deliver because of a changed address of which no notice was given shall be deemed to be receipt of the notice, request, or other communication. Any party hereto may, by written notice given to the other party to this Agreement, designate any further or different addresses to which subsequent notice, certificates, or other communications shall be sent.

XII. MISCELLANEOUS

(a) This Agreement may be amended only by mutual agreement of the parties in writing. No partial invalidity of this Agreement, except as to the term or renewal term or the water service rates provided herein, shall affect the remainder. The parties agree that this Agreement constitutes the entire expression of their intentions with respect to the subject matter thereof and its independent of any and all other agreements by and between City and Company.

(b) City hereby represents and warrants that all appropriate action has been taken by its governing body to authorize the execution of and the performance of the obligations set forth in this Agreement (including any ordinance, resolution, or other necessary form of municipal governmental action) and that the person executing the Agreement on its behalf has been duly authorized to do so. Company represents and warrants that all appropriate action has been taken by its Board of Directors to authorize the execution of and the performance of the obligations set forth in this Agreement and that the person executing the Agreement on its behalf has been duly authorized to do so.

(c) This Agreement is prepared and entered into with the intention that the law of the State of North Carolina shall govern its construction; provided, however, that the laws of the State of South Carolina shall govern and apply to any issue concerning Company's authority to enter into this Agreement and comply with the terms thereof, and the laws of the State of North Carolina shall govern and apply to any issue concerning City's authority to enter into this Agreement and comply with the terms thereof. The courts of the State of North Carolina shall have exclusive jurisdiction to consider any dispute arising under this Agreement.

(d) This Agreement shall inure to the benefit of, and be binding upon, the successors or assigns of each of the parties hereto, but may be assigned only upon mutual consent of both parties with such consent not to be unreasonably withheld.

(e) City and Company hereby acknowledge that this Agreement arose as the result of arm's length negotiations between them and that this Agreement, although manually prepared by representatives of Company, was prepared with the advice, consent, recommendation and review of City and/or City's counsel, and is the product of input by both parties hereto. As a result, any ambiguity or uncertainty is not to be construed against the party whose counsel prepared this Agreement on the grounds that such party's representatives drafted this Agreement.

(f) The Section headings of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement in construing or interpreting any provisions hereof.

(g) The parties agree to give such further assurances, and to execute, acknowledge and deliver such other instruments as shall be reasonably necessary or appropriate in the judgment of the other parties to carry out the intent of this Agreement.

(h) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which collectively shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto, have caused this Agreement to be executed in their names by their duly authorized officers as of the day and year first above written.

BLUE GRANITE WATER COMPANY

WITNESS/ATTEST:

Michael Costa

Catherine E. Heigel

By: Catherine E. Heigel

Its: President

Amy G. Raffo

CITY OF CHARLOTTE

Emily A. Kuntz

Sabrina Joy-Hogg

By: Sabrina Joy-Hogg

Its: Deputy City Manager

Deputy City Clerk

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2018-____-WS

IN RE: Application of Carolina Water)
Service, Inc. for Approval of a)
Franchise Agreement between)
Carolina Water Service, Inc. and)
York County, South Carolina)

**APPLICATION FOR APPROVAL
OF FRANCHISE AGREEMENT**

Exhibit A
Franchise Agreement

STATE OF SOUTH CAROLINA)
)
 COUNTY OF YORK)

FRANCHISE
 AGREEMENT

THIS AGREEMENT, ("Agreement") is entered into this 5TH day of FEBRUARY, 2018, by and between York County, South Carolina (the "County"), and Carolina Water Service, Inc. ("CWS"), a Delaware corporation.

RECITALS

WHEREAS, the County as a political subdivision of the state of South Carolina, has the authority to construct both water and sewer systems and to grant franchises for the operation of water and sewer systems to others under the general law, statutory enactments of the South Carolina General Assembly, and provisions of the code of York County, as amended; and

WHEREAS, CWS is a "public utility" as defined by the laws of the State of South Carolina and is subject to the jurisdiction of the South Carolina Public Service Commission, which established a service territory including portions of York County for the provision of water and sewer service; and

WHEREAS, pursuant to a Franchise Agreement dated January 28, 1992, by and between CWS and the County, the parties agreed to certain terms and conditions with respect to the lease of certain water and sewer service facilities in York County conditioned upon the County granting CWS a non-exclusive franchise for the operation of water and sewer systems within a defined geographical area of York County; and

WHEREAS, CWS was granted a non-exclusive franchise for the operation of water and sewer systems within a defined geographical area of the County (the "CWS Franchise Area") for a period of twenty-five (25) years by ordinance adopted by the York County Council on February 17, 1992; and

WHEREAS, pursuant to the January 28, 1992 Agreement, CWS and the County entered into a Lease Agreement dated November 18, 1996, whereby CWS agreed to lease the County wastewater facilities for a period ending February 17, 2017; and

WHEREAS, pursuant to the January 28, 1992 Agreement, CWS and the County entered into an agreement dated November 18, 1996, whereby the County agreed to grant CWS the right to use that portion of the Lake Wylie Western Shore Force Main located within the CWS Franchise Area for a period ending February 17, 2018; and

WHEREAS, pursuant to the January 28, 1992 Agreement, CWS and the County entered into a Lease Agreement dated November 18, 1996, whereby CWS agreed to lease to the County certain real property including an elevated storage tank and other facilities for a period ending February 17, 2017 (a copy of the November 18, 1996 Lease of Real Property and Elevated Storage Tank and Facilities is attached hereto as Exhibit 1); and

WHEREAS, by agreement approved by York County Council September 6, 2016, CWS and the County have agreed to extend the franchise agreement by six (6) months to February 17, 2018; and,

WHEREAS, CWS and the County desire to extend the term of the franchise for a period of 25 years, and in so doing, 1) to restore to CWS the obligation to operate and maintain all water

and sewer facilities heretofore leased to the County; and 2) to lease the County's water lines, sewer force mains, and pump stations located within the CWS Franchise Area to CWS; and

WHEREAS, due to capacity limitations in the County's regional wastewater system the County has invested significant sums into improvements and facilities which are not recovered by the most favorable County wholesale rates which are applied to CWS; and

WHEREAS, due to the authority of the South Carolina Public Service Commission ("PSC") over privately-owned public utilities providing water and wastewater services in designated service territories, this local franchise agreement is subject to the review and approval by the PSC as well as any rates and charges covered herein; and

WHEREAS, as of November 2017, the County owns assets within the CWS franchised area to facilitate connection to the County regional systems which are specifically allocated to service of CWS customers shown on the franchise area County facilities map in Exhibit 2; and

WHEREAS, CWS and the County acknowledge the County's statutory right to acquire all water and wastewater facilities located within the CWS Franchise Area at any time during or after the term of the Franchise Agreement. Nothing herein shall prevent the County and CWS from voluntarily entering an agreement for the County's purchase of the Franchise Assets.

NOW COME THEREFORE, for and in consideration of the payment by CWS to the County in the amount of \$10.00 and the mutual covenants and undertakings contained herein, the parties agree as follows:

1. CWS and the County agree to extend CWS' franchise for the operation of water and sewer systems within the CWS Franchise area of York County for a period of

25 years. The franchise extension created herein shall be a non-exclusive franchise for the operation of water and sewer systems within the CWS Franchise Area, See Exhibit 2, with the right of first refusal for the provision of water and sewer services to potential new water and sewer customers within the Franchise Area.

2. a. The County will lease to CWS all County-owned infrastructure, including real property, easements and leases, located within the CWS Franchise Area for which CWS agrees to be responsible for the cost of maintaining, upgrading, extending, or replacing these leased assets and lines, to wit:

- (i). Water Mains

- 3,106 ft. of 6"
- 6,684 ft. of 10"
- 11,604 ft. of 12"

- (ii). Sewage Force Mains

- 7,318 ft. of 6"
- 5,430 ft. of 8"
- 16,845 ft. of 12"

- (iii). River Hills Sewer Pump Station

- (iv). The Mill Pond Chemical Feed Facility

- b. The County will own, maintain, and retain control of the Crowders Creek Sewer Pump Station and the 16" influent and effluent lines extending from the 12" Main Line to and from the station. The Crowders Creek Pump Station will be for the exclusive use and benefit of CWS and its franchise service area. The County agrees to be responsible for the cost of upgrading, extending, or replacing these assets and lines.

c. Utilizing County enterprise funds, the County is currently up-fitting a portion of the sewer line leased to CWS and constituting part of the Main Line to the City of Rock Hill and which extends from the connection point described immediately above to the Franchise Area boundary for a total approximate length of 3,950 feet +/- (see the Delineation Map attached and incorporated herewith as Exhibit 2) . The County and CWS recognize this work will be ongoing at the time of and immediately after the execution of this Agreement.

d. To the extent that the County requires access to its equipment or facilities located on property leased to or owned by CWS, the County shall have the reasonable right of ingress and egress on CWS property to access its equipment, provided that as circumstances warrant, the County shall give CWS notice of its intent to enter upon its property. The parties may create a schedule by separate agreement.

e. The parties agree to share relevant information which would assist them in the operations of their respective water and wastewater utilities.

3. CWS agrees to provide:

for odor control at the Mill Pond Chemical Feed Facility to render the raw sewage to the Crowder Creek sewer pump station acceptable to the County.

4. CWS agrees to pay the annual capital recovery for the County's leased assets as shown on Exhibit 3 on a monthly basis.

5. CWS agrees to pay the County a two (2%) percent franchise fee on the capital recovery charge payments made to the County pursuant to the franchise agreement and representative of, inter alia, the right of first refusal to customers in the franchise area for

the provision of water and sewer services to those customers; county rights-of-way access and utilization; county maintenance of access rights-of-way; benefits from county police, fire, and emergency services; county storm water services; and, franchise related oversight and administration. The franchise fee, payable to the County in arrears and subject to approval, may be shown as a rider on the CWS customer's monthly bills. The collection of the franchise fee from CWS customers and its payment to the County, as well as the lease payments pertaining to the County-owned assets identified in Paragraph 1(a) hereinabove will not be effective until assessed by York County and approved by the PSC.

6. The County agrees to coordinate with CWS those right-of-way projects necessary in the franchise area and consider the potential utility relocation costs in the County decision making. The County grants to CWS the use of the public rights-of-way in such a fashion as not to interfere with transportation, drainage, natural gas, telecommunications or electric facilities or their operations, maintenance, renewal, replacement and/or improvements.

7. Capacity Increases.

- a. The City of Rock Hill (the "City") provides drinking water to York County and plans to expand its drinking water treatment plant to meet increased capacity demands. The City will require all its wholesale customers to pay a percentage of the cost to increase capacity based on the average daily flow of water. CWS acknowledges that it contributes to the County's average daily flow

of water and agrees to pay its pro-rata share of the capacity cost increase, as set out in “7(b)” below.

b. CWS acknowledges and agrees to pay CWS’ flow proportional share of the potential plant capacity increases which are charged by the City of Rock Hill to the County. At present, the City’s water treatment plant capacity is 36 mgd. City intends to expand its treatment plant from 36 to 48 mgd. The City, County and the City’s other wholesale customers are each responsible for their respective Responsible Percentage (defined below) of any and all costs to expand the City’s treatment plant capacity from 48 mgd to 60 mgd (“Capacity Increase”). County’s percentage share of the costs of such Capacity Increase shall be calculated by measuring County’s average daily flow of water during the calendar year the City determines to increase the mgd from 48 to 60, subtracting County’s average daily flow from the calendar year immediately preceding the Effective Date of the County’s Agreement with the City of Rock Hill (“County’s Average Flow Difference”) and dividing the difference by twelve (12) which will provide County with percentage of costs for which it shall be responsible (“Responsible Percentage”). For example, if the City needed to expand the plant capacity beyond 48 mgd up to 60 mgd and County’s average daily flow has increased from 3 to 4.2 mgd, County would be responsible for 10% of the capital costs to expand the City’s treatment plant capacity from 48 mgd to 60 mgd. Similarly, under a mechanism and formula derivative of the method described above, CWS’s pro-rata share for the City of Rock Hill capacity increases shall be determined as a

percentage share of the capital costs of such capacity increase calculated by measuring CWS' average daily flow of water into the franchise area as measured at the County meter during the calendar year the City determines to increase the mgd from 48 to 60, subtracting CWS' average daily flow from the calendar year immediately preceding the Effective Date of the County's Water Service Agreement with the City of Rock Hill dated September 23, 2013 and dividing the difference by the County's Average Flow Difference, which will provide CWS with percentage of capital costs of the capacity expansion for which it shall be responsible. For example, expanding on the above example, should CWS' average daily flow increase from 1 mgd during the year immediately preceding the date of the County's Water Services Agreement with the City of Rock Hill dated September 23, 2013 to 1.25 mgd in the year the City elects to expand capacity, CWS would be required to pay 20% of the County's capital costs of the capacity expansion.

c. The City of Rock Hill has notified the County that the City will be making regulatory upgrades to the City wastewater treatment plant sometime in the mid 2020's.¹ Should the County be required to pay a percentage of the capital cost of these regulatory upgrades of the City's sewer treatment plant under its September 23, 2013 wastewater agreement with the City of Rock Hill, CWS acknowledges that it currently contributes to the County's average daily flow of wastewater and

¹ At the time of the execution of this agreement, there does not exist an express mechanism to allocate the pro-rata share of regulatory upgrade costs to York County by the City of Rock Hill; and, therefore, the County to CWS. Nevertheless, York County has been informed of an anticipated potential pro-rata charge which may be assessed by Rock Hill at some point in time in the future for the capital cost of the regulatory upgrades and for which the County seeks to account in this agreement.

agrees to pay its pro-rata share of the capital costs of the regulatory upgrades which could be imposed by the City upon the County. However, should the County not be required to contribute to the City of Rock Hill wastewater treatment plant upgrades as described in this paragraph, CWS shall not be required to contribute its corresponding pro-rata share of the City's wastewater treatment plant upgrades.

d. The pro-rata share calculation for the capital costs which the City may seek to collect from the County under the September 23, 2013, wastewater agreement for the mandated regulatory improvements, described above, will be calculated by determining CWS' average monthly volume of wastewater flow leaving the franchise area as measured at the Crowders Creek Master Meter for the year immediately preceding the year the City elects to commence its required regulatory upgrades ("CWS' Average Flow"). The County will divide CWS' Average Flow by the total average monthly wastewater flow contributed by the County to the City of Rock Hill sewer treatment plant as measured by the City Master Meter for that same year to determine CWS' percentage of the County's cost for the City of Rock Hill sewer treatment plant upgrades. For instance, should CWS' Average Flow measure 5 mgd, and the County's total average flow measure 25 mgd, the CWS pro-rata share would be 20% of the total amount the County owes to the City of Rock Hill for the sewer treatment plant upgrade.

e. Should the County elect to purchase the CWS franchise area system during the pendency of the franchise agreement, any pro-rata share contributed to

the County by CWS for the benefit of the proposed City of Rock Hill capital improvements, as described above and related to capacity increases or regulatory mandates, shall be credited to CWS in the system acquisition price. The acquisition price credit to CWS shall be calculated using the same methodology set out elsewhere in this agreement as that agreed upon by the parties to value the assets.

8. CWS' operations will meet all federal, state and local regulatory requirements.

In particular, within 90 days of the approval of this agreement:

- a. CWS will submit its FOG (fats, oils, greases) program and maintain compliance with the City of Rock Hill Industrial Pretreatment Program;
- b. CWS will recognize drought/water restrictions which are to be based upon City of Rock Hill restrictions;
- c. CWS will treat for pH, odor and corrosion control, will coordinate with County on the testing to determine effectiveness of treatment in its wastewater flow from Mill Pond to the Crowder Creek pump station, and furnish the results to the County on a frequency mutually agreed to by CWS and the County; and
- d. CWS will provide adequate water storage capacity for its franchise territory.

9. a. CWS will make an assessment of its water and sewer system needs within the CWS Franchise Area and develop a ten-year capital improvement

plan and implementation schedule to be submitted to the County for information within 12 months of date of the County ordinance granting the 25 year extension of CWS' franchise.

b. CWS agrees that any capital improvements deemed critical, or any other categorization connoting the need for near-term attention, shall be commenced within six (6) months of the generation of the plan (or sooner per terms of the plan).

10. CWS will continue to maintain local personnel in the County including its area manager and service personnel.

11. CWS will install emergency backup connection facilities for water supply to Charlotte Mecklenburg Utilities. Should the County choose to have access to this water supply for emergency backup to its water system, the County will be responsible for all capital costs necessary to construct metering facilities to transfer water to its system on a schedule mutually agreed to by CWS and the County and at rates approved by the PSC.

12. CWS will install remote monitoring on all sewage pump stations on the Lake Wylie and on all major pump stations.

13. Performance metrics. CWS will maintain performance metrics for billing results, call center performance and customer complaints and provide the County quarterly reports regarding billing accuracy, call center performance and customer complaints for a period of three (3) years after the date of this agreement. For the purpose of this requirement, CWS may maintain the performance metrics on a

statewide basis. After three years, upon request by York County, CWS shall provide the performance metrics report for the quarter immediately preceding the request.

14. County utility service shall include:

- a. The County will continue to provide water to CWS meeting the requirements of the U. S. Environmental Protection Agency (EPA) and the South Carolina Department of Health and Environmental Control (DHEC) and will strive to sustain delivery without interruption.
- b. In furtherance of the requirements of subsection a, above, the County will install a sample tap and in-line total chlorine monitoring probe and recorder in the meter vault for confirmation of the 0.20 mg/l total concentration from water supplier, City of Rock Hill.
- c. As this bulk service arrangement is a consecutive water system as defined by DHEC, the County will cooperate with CWS to resolve any water quality issue, including, but not limited to, Lead and Copper, Total Trihalomethanes, and disinfection issues, and jointly work with the City of Rock Hill, the water provider, to resolve any such water quality issue that may arise in a timely manner.
- d. The County shall continue to provide sewage transportation and treatment capacity to CWS sufficient for the transportation and treatment of sewage generated within the CWS franchise area during the term of the CWS franchise extension, subject to a proposed subdivision or development area receiving an appropriate willingness and capability letter applicable to the development.

15. CWS acknowledges that the County has the right to set rates for wholesale bulk water and sewer services it provides CWS and periodically, the City may increase the rates it charges the County for water and sewer services, thereby affecting the County rates.

CWS agrees to pay to the County such wholesale water and sewer rates as may be established from time to time by the County, provided that the County will provide the bulk water and sewer service to CWS at a rate not greater than the most favorable wholesale rate for bulk water and sewage services available to any other wholesale customer on the County's system, including private and public entities.

16. The cost of water and sewer service will be based on master meter readings at appropriate locations. Currently, the water master meter is located near the intersection of Highways 274 and 55. The sewer master meter is currently located at the Crowders Creek sewer pump station.

17. CWS hereby agrees to collect the prevailing/current County impact/capacity fees and other one-time capital charges and applicable fees and shall remit such collection fees to the County on a frequency mutually agreed to by the CWS and the County. CWS agrees that it will not connect any customer within the CWS Service Area without first determining that such customer has paid the applicable/required County impact/capacity fees and other applicable charges a sewer tap certificate in accordance with the terms of this Agreement.

Consistent with York County billing practices and CWS' current practice of remitting collected fees and charges on a monthly basis, York County will issue its water and sewer

invoices to CWS on a monthly basis to its address(es) of record maintained by York County and CWS shall continue to remit its payments for water and sewer and collected fees to York County by issuing the same monthly.

18. The parties hereto understand and agree that CWS shall be entitled, with respect to water and sewer facilities owned and leased by CWS, to charge and retain such water and sewer user fees and connection fees as are authorized by the South Carolina Public Service Commission.

19. The County agrees to allow CWS to expand its water distribution facilities and sewage collection facilities, either directly or through developer agreements, so as to serve customers not presently served by CWS but which are located in the Franchise Area. Any such expansion shall be subject to: (i) the terms and provisions of applicable County Ordinances provided that such ordinances do not conflict with this franchise agreement; (ii) such franchise amendment as may be entered into between CWS and the County; (iii) applicable rules, regulations and orders of the Public Service Commission; (iv) applicable rules, regulations and order of the Department of Health and Environmental Control; (v) any other applicable Federal, State or local laws.

20. CWS acknowledges the County's statutory right to acquire through condemnation the Franchised Assets to wit, all real property, easements, pumps, pipes, fittings, water tanks, basins, and all water and wastewater facilities located within the CWS Franchise Area at any time during or after the term of the Franchise Agreement, provided that valuation of the Franchise Assets shall be without regard to the status of the Franchise. Nothing herein shall prevent the County and CWS from voluntarily entering an agreement for the

County's purchase of the Franchise Assets.

21. This agreement is conditioned upon the granting of a 25-year extension of CWS' franchise by York County Council.

22. This agreement is conditioned upon approval by the South Carolina Public Service Commission. The existing franchise agreement executed by York County and CWS on January 28, 1992 shall be extended during the pendency of the approval process for this franchise agreement before the Public Service Commission; at which time, upon approval of this agreement, the existing 1992 franchise agreement shall terminate and this agreement shall take effect.

23. In the event this agreement is not approved by the South Carolina Public Service Commission, the parties agree to extend the existing franchise agreement a minimum of 6 months, but no more than a maximum of 18 months, to resolve any issue preventing the approval of the franchise renewal agreement contemplated herein.

24. If any party hereto breaches a material obligation as established by this Agreement, such breach will constitute a default. The non-defaulting party shall give written notice detailing the breach alleged to constitute such default, by certified mail, return receipt requested, and the defaulting party shall have ten (10) days after receipt of such notice, in event of non-payment, and sixty (60) days for other events of default, within which to cure such default. If such default is not cured within such cure period, the non-defaulting party may hold in abeyance continued performance of its obligations under this Agreement until such time as the default is cured. This remedy is in addition to, and not in lieu of, any other remedies at law or in equity. In the event that either party hereto suffers actual

damages as a result of a breach hereto, any judgement obtained shall include costs of the action and reasonable attorney fees.

25. No waiver of any breach or breaches of any provisions of this Agreement shall be construed to be a waiver of any preceding or succeeding breach of such provision or of any other provision hereof.

26. Time is of the essence to each and every provision of this Lease Agreement.

27. This agreement may be modified or amended only by an instrument in writing duly authorized and executed by both the CWS and the County. This agreement may not be amended or modified by oral agreements or understandings between the parties unless such oral agreements or understandings shall be reduced to writing duly authorized and executed by both the CWS and the County.

28. Except as provided in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder. If such failures, default or delay is caused by strikes or other labor problems, by force of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence such party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this

Agreement.

29. Each and every provision of this agreement shall bind and shall inure to the benefit of the parties hereto, their respective successors and assigns.

30. This agreement shall be deemed to be an agreement made under, and for all purposes shall be construed in accordance with, the laws of the State of South Carolina.

31. In the event that any clause(s) or provision(s) of this agreement shall be held invalid by any court of competent jurisdiction, the invalidity of such clause(s) or provision(s) shall not affect the remaining clauses and provisions hereof.

32. (a) All notices or communications required or permitted under this Lease Agreement or which either party may desire to assert upon the other shall be deemed sufficiently given or served if served personally or by certified or registered mail, postage prepaid, address as follows:

To York County: William P. Shanahan, Jr., (or successor)
York County Manager
6 South Congress Street
P.O. Box 66
York, SC 29745

With Copy to: Michael K. Kendree (or successor)
County Attorney
26 W. Liberty Street
PO Drawer 299
York, SC 29745

To Carolina Water Service, Inc.: Catherine E. Heigel, President
Carolina Water Service, Inc.
150 Foster Brothers Drive
West Columbia, SC 29172

With Copy to: Laura K. Granier, Esquire
General Counsel
Carolina Water Service, Inc.

2335 Sanders Road
Northbrook, IL 60062

or such other place or places or to such other person or persons as shall be designated in writing by the respective parties.

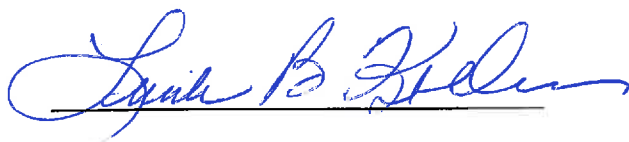
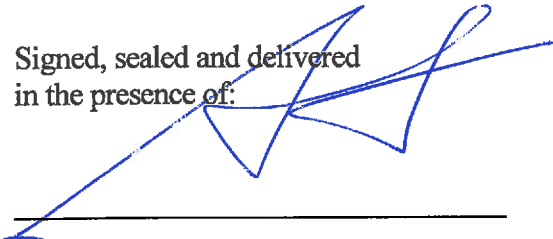
(b) CWS shall provide the County with:

- (i) In addition to statutory and regulatory requirements regarding notice of filings before the Public Service Commission, 20 days' written notice of any meeting or hearing set before or by the South Carolina Public Service Commission on any and all issues which arise within or pertain to CWS and its operations within the York County franchise area or otherwise affect CWS' York County customers; and,
- (ii) 20 days' written notice, where practicable, of any meeting scheduled by CWS for its York County customers or communities which it serves.

[remainder of page intentionally blank]

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals to
this agreement in duplicate originals the day and year first above-written.

Signed, sealed and delivered
in the presence of:

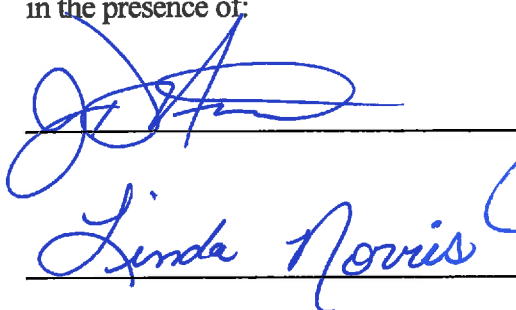


CAROLINA WATER SERVICE, INC.

BY: 
Catherine E. Heigel, President

Attest: 
Michael R. Cartin

Signed, sealed and delivered
in the presence of:



YORK COUNTY, SOUTH CAROLINA

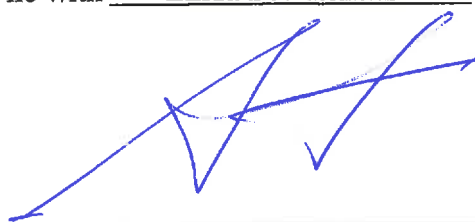
BY: 

Attest: 

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY appeared before me Scott Elliott who made oath
that that he saw the within named Carolina Water Service, Inc., by Catherine E.
Heigel, its President, sign the within Agreement, and Michael R.
Cartin, attest the same, and the said corporation, by said officer, seal said Agreement, and as
its act and deed, deliver the same, and that he with Linda B. Kitchens witnessed the
execution thereof.



SWORN to before me this 12th
day of February 2018.


Notary Public for the State of South Carolina

My Commission Expires:



STATE OF SOUTH CAROLINA)
)
 COUNTY OF YORK) PROBATE

PERSONALLY appeared before me David Harmon

who made oath that that he/she saw the within named York County, South Carolina, by

J. Britt Blackwell, its Chairman, sign the within Agreement, and

William P. Shanahan, its County Manager, attest the

same, and the said corporation, by said officers, seal said Agreement, and as its act and deed,

deliver the same, and that he with Linda Norris witnessed the execution

thereof.



SWORN to before me this 5th

day of February, 2018.

David M. Brandon

Notary Public for the State of South Carolina

My Commission Expires: 1-30-2022

EXHIBITS

1. 11/18/1996 Lease of Real Property and Elevated Storage Tank and Facilities
2. 1/2017 County Utility Assets built inside CWS Franchise area to facilitate connection to the County Regional systems – Franchise Area Map
3. Capital Recovery Charge Determination

Exhibit 1

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

**LEASE OF REAL PROPERTY AND ELEVATED
STORAGE TANK AND FACILITIES**

This Lease Agreement made and entered into this 18th day of November, 1996, by and between Carolina Water Service, Inc., a Delaware corporation, hereinafter referred to as Lessor, and York County, South Carolina, a body politic and political subdivision of the State of South Carolina, hereinafter referred to as Lessee,

WITNESSETH:

WHEREAS, Lessee, as a political subdivision of the State of South Carolina, has the authority to construct both water and sewer systems and to grant franchises to others under the general law, statutory enactments of the South Carolina General Assembly, and provisions of the Code of York County, as amended; and

WHEREAS, Lessor is a "public utility," as defined by the laws of the State of South Carolina, and is subject to the jurisdiction of the South Carolina Public Service Commission, which has established a service area for the Lessor's water services which includes portions of York County; and

WHEREAS, Lessor was granted a non-exclusive franchise for the operation of water and sewer systems within a defined geographical area of York County (the "CWS Franchise Area") by ordinance adopted by the York County Council on February 17, 1992; and

WHEREAS, Lessee intends to supply water and/or provide water distribution services and provide wastewater transportation and treatment services within certain areas of York County which include the CWS Franchise Area; and,

WHEREAS, by Agreement, dated January 28, 1992, Lessee agreed to lease from Lessor certain property and facilities known as the River Hills elevated water storage tank; and

WHEREAS, Lessor has agreed to accept bulk water service from Lessee within the Lessor's approved Franchise Area in York County pursuant to an Agreement entered into by the Lessee and Lessor, dated as of January 28, 1992.

NOW, THEREFORE, this Lease Agreement is entered into pursuant to the terms and provisions of that certain agreement entered into by and between York County and Carolina Water Service, Inc., dated January 28, 1992.

1. Lease of property and elevated storage tank.

For and in consideration of the promises, covenants and conditions herein contained, and in further consideration of the execution of an agreement by Lessee pursuant to which Lessor shall have the right to the use of a water transmission main completed by York County within the CWS Franchise Area; Lessor has agreed to accept bulk water service from Lessee within its County-approved Franchise Area; and for other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, Lessor has and does hereby lease and demise unto Lessee, its successors and assigns, and Lessee has and does hereby agree to lease from Lessor, for the term and upon the conditions herein set

forth those certain premises located in York County, South Carolina, together with the elevated water storage tank, equipment and appurtenances located thereon more particularly shown and described in paragraph 3 of this Lease Agreement.

2. Effective date and term.

Lessee, its successors and assigns, shall have and hold the above-described property, elevated storage tank, equipment and appurtenances upon the terms and conditions herein stated for a term commencing on the date of this agreement and extending through February 17, 2017, when it shall expire.

3. Description of property and elevated tank, etc.

The property which is leased and demised under this Lease Agreement is described as follows:

All that certain parcel of land lying and being situate in River Hills Plantation, Bethel Township, York County, South Carolina, the boundaries of which are described by courses and distances on a plat of survey prepared by Frank B. Hicks Associates, Inc., S.C.R.L.S., dated July 20, 1973, entitled "A Plat of Property of Commodore Utility Corporation Elevated Water Tank Site," as follows: BEGINNING at an iron located N 63°11'15" E 114.90 feet from an iron in the northeastern corner of Lot 27, Honeysuckle Woods, Section VIII, River Hills Plantation, and running thence from such beginning point along a course of N 12°21'24" E 60.00 feet to an iron; thence S 77°38'35" E 60.00 feet to an iron; thence S 12°21'24" W 60.00 feet to an iron; thence N. 77°38'35" W 60.00 feet to an iron, the POINT OF BEGINNING.

The plat on which the foregoing property is shown is recorded in PLAT BOOK 44, PAGE 26, Office of the Clerk of Court for York County, South Carolina, and by reference is made part of this description.

The above-described property is a portion of those tracts of land conveyed to River Hills Plantation Company, Inc. by The Wylie Corporation by deed dated June 1, 1970, recorded June 2, 1970, in Deed book 403, Page 79, Office of the Clerk of Court for York County, South Carolina.

TOGETHER with an easement appurtenant to the above-described tract of land for ingress and egress to and from such property over all roads, streets, and access lanes now or hereafter existing in River Hills Plantation, leading to and from such property, and leading to and from South Carolina Highway #49.

The above-described property is conveyed hereby subject to the covenant and restriction that it shall be used only for its presently committed purpose, as the site of the elevated water tank and as well site and water source for the River Hills Plantation/Commodore Utility Corporation certificated service area, and shall not be used or converted to any other commercial, industrial, or residential purpose, without the prior written consent of River Hills Plantation Company, Inc. or of its parent corporation, Sea Pines Company. This restriction and condition is imposed as and intended to be a perpetual covenant running with the above-described land.

Together with the elevated water storage tank, pipes, meters, gauges, pumps, appurtenances and equipment now or hereafter located thereon or used for the storage and distribution of a potable water supply.

4. Consideration for Lease.

In consideration for the lease of the above-described property, the Lessee agrees to operate, maintain and repair the property, tank and appurtenances herein described; and the Lessee grants to Lessor the use of a water transmission main constructed by Lessee within Lessor's Franchise Area under a separate Agreement, dated of even date herewith; and both Lessor and Lessee

agree to comply with their obligations under that certain agreement between the parties, dated January 28, 1992.

5. Use of equipment and premises.

Lessee shall use and occupy the leased premises for the treatment, storage, and distribution of a potable supply of water to and within the CWS Franchise Area and areas adjacent thereto through the term of this Lease Agreement. Lessee shall have the right, during the term of this Lease Agreement, to enclose the leased premises by a fence or other enclosure and to make improvements, additions and repairs to the leased premises, elevated water storage tank, pumps, pipes, meters, equipment and appurtenances as may be necessary or appropriate for Lessee's use of the leased premises.

6. Maintenance of premises.

Lessee shall, at its expense, operate, maintain and repair the property, elevated storage tank, equipment, appurtenances, improvements or additions thereto in good condition and repair during the term of this Lease Agreement, excluding maintenance and repair of any damage caused solely by Lessor.

7. Utilities charges.

Lessee shall promptly pay and discharge all rates, charges or fees which may become due and payable for utility service used at the leased premises during the term of this Lease Agreement.

8. Insurance.

Lessee covenants and agrees to obtain and maintain, at Lessee's expense, hazard insurance on the leased premises at all times during the term of this Lease Agreement in an amount which shall not be less than the value of the improvements, including the elevated water storage tank, equipment and appurtenances thereon. Lessee shall further obtain and maintain, at Lessee's expense, at all times during the term of this Lease Agreement one or more policies of public liability insurance written by one or more responsible insurance carriers which shall insure Lessee and Lessor against liability for injury to or death of persons or loss or damage to property occurring on or about the leased premises. The liability coverage under any such insurance policy shall not be less than \$1,000,000 for any person killed or injured and \$500,000 for property damage. Lessee will furnish to Lessor proof of such hazard insurance and public liability insurance. Lessee further agrees to obtain and maintain in force, at Lessee's expense, builder's risks, property damage and workers' compensation coverage covering Lessee's construction activities and operation of the elevated storage tank, pumps, pipes, meters, equipment and appurtenances. Lessee will furnish to Lessor proof of all such coverages prior to the commencement of construction activity and operation on the leased property.

9. Indemnity.

Lessee agrees to indemnify Lessor against any cost, liability, expense, claim, action or damages, including attorney's fees, for

injury to person or property occurring at or on the leased premises and facilities or arising out of any claims of any person or persons whomsoever by reason of Lessee's use or misuse of the leased premises, tank, equipment and appurtenances, excluding any cost, liability, expense, claim, action or damages or fees resulting solely from an act or omission of Lessor.

10. Destruction of or damage to leased premises and facilities.

During the term of this Lease Agreement, if the leased premises or facilities shall be damaged by the elements, unavoidable accident, fire or other casualty, but are not rendered substantially unusable, the Lessee shall cause such damage to be repaired. In the event that the leased premises and facilities are so damaged as to be unfit for use by Lessee for the intended purpose, Lessee may, at its option, give written notice to Lessor that it has elected to terminate this Lease Agreement, in which event this lease and the tenancy hereby created shall cease as of the date of such occurrence. In the event of such termination of this Lease Agreement, the rights and obligations under the separate agreement between Lessee and Lessor, dated of even date herewith, providing that Lessor will have the right of the use of Lessee's water transmission line, will remain unaffected.

11. Non-waiver of breach.

No waiver of any breach or breaches or any provisions of this Lease Agreement shall be construed to be a waiver of any preceding

or succeeding breach of such provision or of any other provision hereof.

12. Time of essence.

Time is of the essence to each and every provision of this Lease Agreement.

13. Amendments to be in writing.

This Lease Agreement may be modified or amended only by an instrument in writing duly authorized and executed by both Lessor and Lessee. This Lease Agreement may not be amended or modified by oral agreements or understandings between the parties unless such oral agreements or understandings shall be reduced to writing duly authorized and executed by both Lessor and Lessee.

14. Parties bound.

Each and every provision of this Lease Agreement shall bind and shall inure to the benefit of the parties hereto, their respective successors and assigns.

15. Governing law.

This Lease Agreement shall be deemed to be an agreement made under, and for all purposes shall be construed in accordance with, the laws of the State of South Carolina.

16. Notices.

All notices or communications required or permitted under this Lease Agreement or which either party may desire to assert upon the other shall be deemed sufficiently given or served if served personally or by certified or registered mail, postage prepaid, addressed as follows:

To York County:

J. Clay Killian
County Manager
P. O. Box 66
York, SC 29745

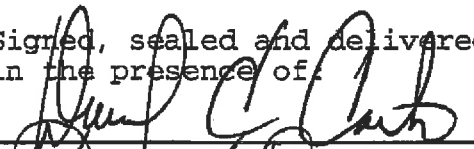
To Carolina Water Service, Inc.:

James L. Camaren
Carolina Water Service, Inc.
2335 Sanders Road
Northbrook, Illinois 60062

or at such other place or places or to such other person and persons as shall be designated in writing by the respective parties.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals to this Lease Agreement in duplicate originals the day and year first above written.

Signed, sealed and delivered
in the presence of:


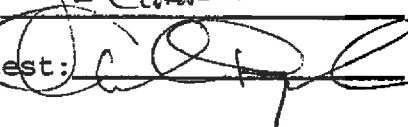


David Camaren

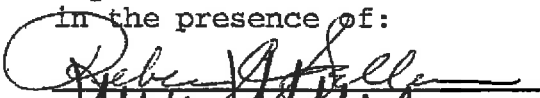
CAROLINA WATER SERVICE, INC.

By:

Attest:

Signed, sealed and delivered
in the presence of:

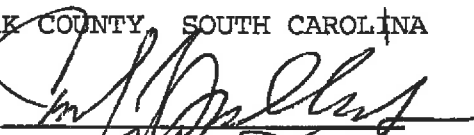
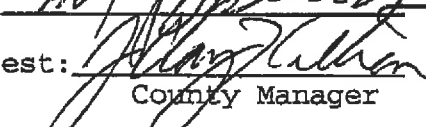


J. Camaren

YORK COUNTY, SOUTH CAROLINA

By:

Attest:



County Manager

STATE OF ILLINOIS

COUNTY OF COOK

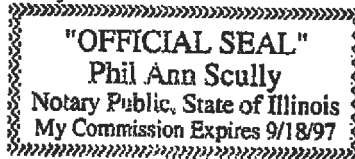
PROBATE

PERSONALLY appeared before me David H. Demaree, who made oath that he saw the within named Carolina Water Service, Inc., by James Camaren, its Chairman, sign the within Lease of Real Property and Elevated Storage Tank and Facilities, and Andrew Dopuch, its Vice President, attest the same, and the said corporation, by said officers, seal said Lease Agreement, as its act and deed, deliver the same, and that he with David C. Carter witnessed the execution thereof.

SWORN to before me this 14TH
day of NOVEMBER, 1996.

Phil Ann Scully (SEAL)
Notary Public for Illinois
My Commission Expires: 09-18-97

David H. Demaree
David H. Demaree
Secretary

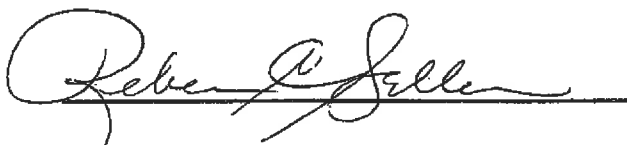


STATE OF SOUTH CAROLINA

COUNTY OF YORK

PROBATE

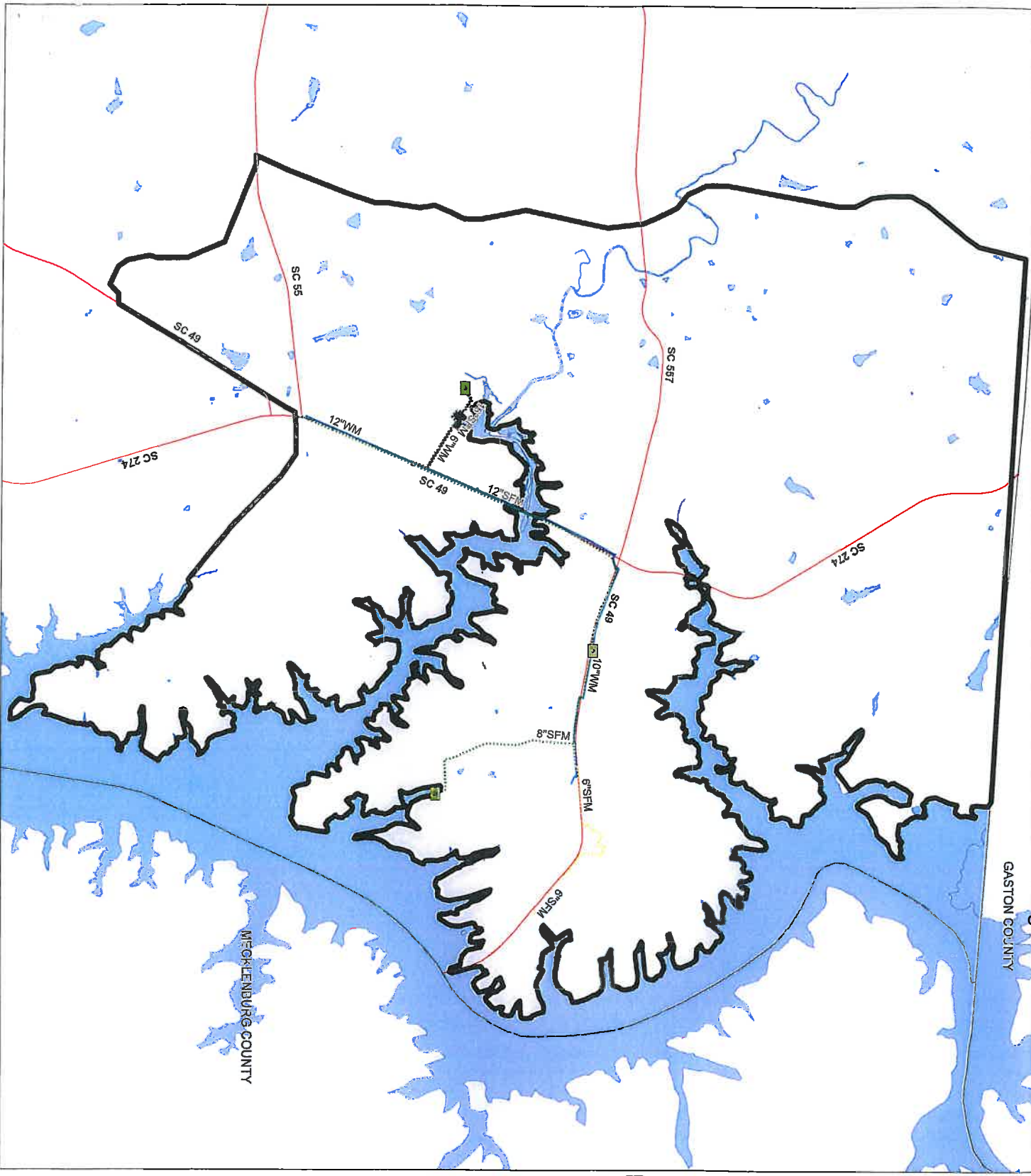
PERSONALLY appeared before me Rebecca C. Sellers, who made oath that she saw the within named York County, South Carolina, by Carl L. Gullick, its Chairman, sign the within Lease of Real Property and Elevated Storage Tank and Facilities, and J. Clay Killian, its County Manager, attest the same, and the said corporation, by said officers, seal said Lease Agreement, and, as its act and deed, deliver the same, and that she with Melvin B. McKeown witnessed the execution thereof.



SWORN to before me this 18th
day of November, 1996.

 (SEAL)
Notary Public for South Carolina
My Commission Expires: August 30, 2000

Exhibit 2



Water and Sewer Assets
in
Carolina Water
Service Area

- Pump Station
- Highway
- Carolina Water Service Area
- County Boundaries
- Lakes, Ponds

Distances in Feet
Water Lines (D):

- 6": 3,106
- 8": 6,684
- 10": 11,604
- 12": 11,604

Sewer Force Main (PVC):

- 6": 7,318
- 8": 5,430
- 12": 16,845
- 16": 7,345

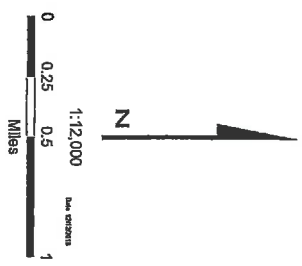


Exhibit 3
Capital Recovery Charge Determination

The County's water and wastewater investment which benefits CWS has been valued using the cost approach. The amount for service to the CWS water system is \$ 1,160,000.00. The amount for service to the CWS wastewater system is \$2,200,000.00.

In addition to the above there are other capital improvement increases which benefit CWS including, but not limited to Rock Hill costs, future pipeline upsizing or paralleling costs, etc. Those costs would be additional to that amount determined herein.

The capital recovery charge is determined by the amount allocated to either the water or wastewater system that is converted to an annual amount using a 40 year term and an interest factor of 5 percent that is then divided by 12 for a monthly payment.

As an example for a (1) \$1,000,000 amount, the annual payment is (2) \$70,952 and the monthly payment is (3) \$5,913.

Initially, for the water system these amounts are:	(1)	\$1,160,000.00
	(2)	\$67,602.67
	(3)	\$5,633.56

Initially, for the wastewater system these amounts are:	(1)	\$2,200,000.00
	(2)	\$128,211.96
	(3)	\$10,684.33

This Exhibit provides the initial amounts with a summary of the determination.

In the future additional amounts will be added at cost.

Appendix C: 2018 Water Quality Report

River Hills Water System

PWS ID: SC4650006



Annual Water Quality Report 2018

Message from Catherine Heigel, President

Dear Blue Granite Water Company Customers,

I am pleased to share your Annual Water Quality Report for 2018. This report is designed to inform you of the quality of water we delivered to you over the past year.

As your community water utility, we fully appreciate our role in the local community and are committed to providing safe, reliable and cost-effective service to you. All of our employees share in this commitment and strive to serve you with integrity and professionalism.

We are proud to share this report which provides water quality testing results through December 2018. We continually work to supply water that meets or exceeds all federal and state water quality regulations.

Our dedicated local team of water quality experts is working in the community everyday ensuring that you, our customer, are our top priority and that we are providing high quality service that protects the environment and benefits our communities - now and in the years to come.

Best regards,

Visit us online at
www.bluegranitewaterco.com

Or Join us on Twitter
[@BlueGraniteWCo](https://twitter.com/BlueGraniteWCo)



MY
UTILITY
CONNECT

DOWNLOAD OUR MOBILE APP!

- Pay utility bill
- Manage account settings
- Monitor usage
- Connect with Customer Service

How Easy Is My Utility Connect to Find?
Go to www.bluegranitewaterco.com
or search "MyUtilityConnect" in the
App Store or Google Play Store.

Source of Drinking Water

Our water source is purchase water from York County, which purchases water from the City of Rock Hill. Rock Hill draws surface water from Lake Wylie.

Source Water Assessment

The South Carolina Department of Health & Environmental Control (DHEC) has completed the Source Water Assessment Plan (SWAP) for the City of Rock Hill. The relative susceptibility rating of each source was ranked as having high, moderate, and/or low susceptibility. The rating is determined by identifying potential pollution sources near each water source location. It is important to understand that a susceptibility rate of "high" does not imply poor water quality, only the systems' potential to become contaminated by potential pollution sources in the assessment area. The Source Water Assessment Plan can be made available by providing the system ID # found at the top of this report to Mr. Jim Ferguson at (803) 898-3531 or e-mail at fergusjm@dhec.sc.gov.

Help Protect our Resources

Help put a stop to the more than **1 trillion gallons of water lost annually** nationwide due to household leaks. These easy to fix leaks waste the average family the amount of water used to fill a backyard swimming pool each year. Plumbing leaks can run up your family's water bill an extra 10 percent or more, but chasing down these water and money wasting culprits is as easy as 1—2—3. Simply check, twist, and replace your way to fewer leaks and more water savings:

- ⇒ **Check** for silent leaks in the toilet with a few drops of food coloring in the tank, and check your sprinkler system for winter damage.
- ⇒ **Twist** faucet valves; tighten pipe connections; and secure your hose to the spigot. For additional savings, twist a WaterSense labeled aerator onto each bathroom faucet to save water without noticing a difference in flow. They can save a household more than 500 gallons each year—equivalent to the amount water used to shower 180 times!
- ⇒ **Replace** old plumbing fixtures and irrigation controllers that are wasting water with WaterSense labeled models that are independently certified to use 20 percent less water and perform well.

For more information visit www.epa.gov/watersense.

We ask that all our customers help us protect our water sources which are the heart of our community, our way of life and our children's future.

Este informe contiene información muy importante sobre su agua beber. Tradúzcalo ó hable con alguien que lo entienda bien.

EPA Wants You To Know

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- A. **Microbial contaminants**, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- B. **Inorganic contaminants**, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- C. **Pesticides and herbicides**, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- D. **Organic chemical contaminants**, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- E. **Radioactive contaminants**, which can be naturally occurring or be the result of oil and gas production and mining activities.

What measures are in place to ensure water is safe to drink?

In order to ensure that tap water is safe to drink, the EPA prescribes regulations, which limit the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water, which must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791.

Special notice from EPA for the elderly, infants, cancer patients and people with HIV/AIDS or other immune system problems

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

Information Concerning Lead in Water

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Blue Granite Water Company is responsible for providing high quality drinking water, but cannot control the

variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at www.epa.gov/safewater/lead.

Water that remains stationary within your home plumbing for extended periods of time can leach lead out of pipes joined with lead-containing solder as well as brass fixtures or galvanized pipes. Flushing fixtures has been found to be an effective means of reducing lead levels. The flushing process could take from 30 seconds to 2 minutes or longer until it becomes cold or reaches a steady temperature. Faucets, fittings, and valves, including those advertised as "lead-free," may contribute lead to drinking water. Consumers should be aware of this when choosing fixtures and take appropriate precautions. Visit the NSF Web site at www.nsf.org to learn more about lead-containing plumbing fixtures.

Drain Disposal Information

Sewer overflows and backups can cause health hazards, damage home interiors, and threaten the environment. A common cause is sewer pipes blocked by grease, which gets into the sewer from household drains. Grease sticks to the insides of pipes. Over time, the grease can build up and block the entire pipe. Help solve the grease problem by keeping this material out of the sewer system in the first place:

- Never pour grease down sink drains or into toilets. Scrape grease into a can or trash.
- Put strainers in sink drains to catch food scraps / solids for disposal.

Prescription Medication and Hazardous Waste

Household products such as paints, cleaners, oils, and pesticides, are considered to be household hazardous waste. Prescription and over-the-counter drugs poured down the sink or flushed down the toilet can pass through the wastewater treatment system and enter rivers and lakes (or leach into the ground and seep into groundwater in a septic system). Follow the directions for proper disposal procedures. **Do not flush hazardous waste or prescription and over-the-counter drugs down the toilet or drain.** They may flow downstream to serve as sources for community drinking water supplies. Many communities offer a variety of options for conveniently and safely managing these items. For more information, visit the EPA website at: www.epa.gov/hw/household-hazardous-waste-hhw.

If You Have Questions Or Want To Get Involved

Blue Granite Water Company holds eight regional public meetings a year. Stay tuned for dates, times and location of the meetings. Please contact our Customer Service Department at (800) 367-4314 should you have any questions.

The Safe Drinking Water Act was passed in 1974 due to congressional concerns about organic chemical contaminants in drinking water and the inefficient manner by which states supervised and monitored drinking water supplies. Congress' aim was to assure that all citizens served by public water systems would be provided high quality water. As a result, the EPA set enforceable standards for health-related drinking water contaminants. The Act also established programs to protect underground sources of drinking water from contamination.

Understanding This Report In order to help you understand this report, we want you to understand a few terms and abbreviations that are contained in it.

Action level (AL)	The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.
EPA	Environmental Protection Agency.
Maximum Contaminant Level (MCL)	The highest level of a contaminant that is allowed in drinking water. MCL's are set as close to the MCLG's as feasible using the best available treatment technology.
Maximum Contaminant Level Goal (MCLG)	The "goal" is the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLG's allow for a margin of safety.
Maximum Residual Disinfectant Level (MRDL)	The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
Maximum Residual Disinfectant Level Goal (MRDLG)	The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
Not applicable (N/A)	Not applicable.
Not Detected (ND)	Indicates the substance was not found by laboratory analysis.
Parts per million (ppm) or Milligrams per liter (mg/l)	One part per million corresponds to one minute in two years or a single penny in \$10,000.
Parts per billion (ppb) or Micrograms per liter (ug/l)	One part per billion corresponds to one minute in 2,000 years or a single penny in \$10,000,000.
Picocuries per liter (pCi/L)	A measure of radioactivity in the water.
Running Annual Average (RAA)	Calculated running annual average of all contaminant levels detected.

Monitoring Your Water: We routinely monitor for contaminants in your drinking water according to Federal and State laws. The tables below lists all the drinking water contaminants that were detected in the last round of sampling for each particular contaminant group. The presence of contaminants does not necessarily indicate that water poses a health risk. **Unless otherwise noted, the data presented in the table is from testing done January 1 through December 31, 2018.** The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of the data, though representative of the water quality, maybe more than one year old.

Violations: In 2018, Blue Granite Water Company performed all required monitoring for contaminants. In addition, we received **no violations** from SC DHEC and was in compliance with applicable testing and reporting requirements.

Water Quality Test Results

Contaminant	Violation Y/N	Date Collected	Level Detected	Range of Detects or # of Samples Exceeding MCL/AL	Unit of Measurement	MCLG	MCL	Likely Source of Contamination
Inorganic Contaminants								
Copper (90th percentile)	N	2018	0.053	0	ppm	1.3	AL= 1.3	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives.
Fluoride (City of Rock Hill)	N	2018	0.54	NA	ppm	4	4	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer & aluminum factories.
Lead (90th percentile)	N	2018	7.0	1	ppb	0	AL= 15	Corrosion of household plumbing systems; Erosion of natural deposits.
Nitrate (as Nitrogen) (City of Rock Hill)	N	2018	0.34	NA	ppm	10	10	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits.

Infants and children who drink water containing lead in excess of the action level could experience delays in their physical or mental development. Children could show slight deficits in attention span and learning abilities. Adults who drink this water over many years could develop kidney problems or high blood pressure.

Disinfection By-Products

Chlorine	N	2018	RAA= 1.30	0.94 - 1.58	ppm	MRDL=4	MRDL=4	Water additive used to control microbes.
Haloacetic Acids (HAA5)	N	2018	RAA= 19.41	10.3 - 27.7	ppb	No goal for total	60	By-product of drinking water disinfection
Total Trihalomethanes (TTHM)	N	2018	RAA= 43.37	23.2 - 64.3	ppb	No goal for total	60	By-product of drinking water disinfection

Appendix D: Water Conservation Protocol



blue granite
water companySM

WATER CONSERVATION PROTOCOL

The purpose of a Water Conservation Protocol is to ensure water use efficiency within a water system during times of high demand or low supply. The Water Conservation Protocol provides a strategy or combination of strategies for reducing the consumption of water, reducing the loss or waste of water, improving or maintaining the efficiency in the use of water. As a part of maintaining and operating a water system, it may become necessary to implement such a protocol within a service area in the event of shortage of water supply, system failure, or drought.

The Water Conservation Plan allows for protection of the public health, safety, and welfare of customers by ensuring adequate water for drinking, sanitation, and fire protection services. The conservation schedule limits the hours and days of use of Blue Granite supplied water for lawn irrigation and other uses, such as power washing driveways, sidewalks, decks, patios, streets, and exterior building surfaces except on Saturdays and Sundays. The commercial use of power washers is permitted under the conservation protocol.

The non-essential water conservation protocol applies to all customers within a service area. The chart below provides for specific information regarding water uses and permitted days and times. Odd address numbers will follow the “ODD” schedule and even address numbers will follow the “EVEN” schedule.

WATER USE	IRRIGATION SCHEDULE
Residential Automatic/non-automatic Irrigation Systems	ODD - Tuesdays and Saturdays 10 p.m. - 2:00 a.m. EVEN - Wednesdays & Sundays 10 p.m. - 2:00 a.m.
Commercial Developers and Homebuilders Automatic/non-automatic Irrigation Systems	ODD - Tuesdays and Saturdays 10 p.m. - 2:00 a.m. EVEN - Wednesdays & Sundays 10 p.m. - 2:00 a.m.
Hose End Sprinklers	ODD - Tuesdays and Saturdays EVEN - Wednesdays & Sundays 6:00 a.m. - 10:00 a.m. / 6:00 p.m. - 10:00 p.m.
Hand Held Hose	ODD - Tuesdays and Saturdays EVEN - Wednesdays & Sundays 6:00 a.m. - 10:00 a.m. / 6:00 p.m. - 10:00 p.m.
Vehicle Washing	No Restrictions
Pressure Washing	Saturday and Sunday
No Watering Allowed	Mondays, Thursdays, & Fridays

Appendix E: The Schedules of Rates for the Lake Wylie

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

WATER

Service Territory 1

Monthly Charges - Water Supply Customers Only

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

Residential

Base Facilities Charge	
per single-family house, condominium, mobile home, or apartment unit	\$ 14.38 per unit
Residential Commodity Charge	\$ 5.59 per 1,000 gal. or 134 cft.

Commercial

Base Facilities Charge	
by meter size	
5/8" meter *	\$ 14.38 per unit
3/4" meter	\$ 14.38 per unit
1" meter	\$ 37.43 per unit
1.5" meter	\$ 74.86 per unit
2" meter	\$ 119.78 per unit
3" meter	\$ 224.59 per unit
4" meter	\$ 374.42 per unit
8" meter	\$1,150.51 per unit
Commercial Commodity Charge	\$ 5.59 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

Residential

Base Facilities Charge	
per single-family house, condominium, mobile home, or apartment unit	\$ 14.38 per unit
Residential Commodity Charge	\$ 7.55 per 1,000 gal. or 134 cft.

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

Commercial

Base Facilities Charge
by meter size

5/8" meter *	\$ 14.38 per unit
3/4" meter	\$ 14.38 per unit
1" meter	\$ 37.43 per unit
1.5" meter	\$ 74.86 per unit
2" meter	\$ 119.78 per unit
3" meter	\$ 224.59 per unit
4" meter	\$ 374.42 per unit
8" meter	\$1,150.51 per unit

Commercial Commodity Charge

\$ 7.55 per 1,000 gal.
or 134 cft.

***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

Hydrant Meter Program

A contractor, developer, or other commercial customer (the "Hydrant Customer") requiring water service for a limited duration, where no other water service is available to the customer, may, where practicable, take water service from the Utility's nearest available hydrant. In such cases, the Hydrant Customer shall obtain from the Utility a 2-inch meter and affix the meter to the hydrant(s) closest to its work site(s). The Hydrant Customer shall be charged the appropriate Base Facilities Charge for a 2-inch meter and for actual water consumption. Every 25 to 35 days, the Hydrant Customer shall make the meter available to the Utility for the reading of its water usage and associated monthly billing. In addition, the Hydrant Customer shall pay Utility a deposit of \$1,100.00, which represents the approximate cost of the meter, prior to receiving the 2-inch meter. The Utility shall refund the Hydrant Customer's deposit upon the prompt return of the meter in good working order. If the meter is lost or determined to be damaged upon return, the Utility may withhold all, or a portion, of the deposit amount as reasonable compensation for the Utility's loss.

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

Service Territory 2

Monthly Charges - Water Supply Customers

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

Residential

Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:

\$ 28.59 per unit

Residential Commodity Charge

\$ 10.27 per 1,000 gal.
or 134 cft.

Commercial

Base Facilities Charge
by meter size

5/8" meter*

\$ 28.59 per unit

1" meter

\$ 79.59 per unit

1.5" meter

\$ 146.27 per unit

3" meter

\$ 499.14 per unit

Commercial Commodity Charge

\$ 10.27 per 1,000 gal.
or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

Residential

Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:

\$ 28.59 per unit

Residential Commodity Charge

\$ 11.85 per 1,000 gal.
or 134 cft.

Commercial

Base Facilities Charge by meter size:

5/8" meter *

\$ 28.59 per unit

1" meter

\$ 79.59 per unit

1.5" meter

\$ 146.27 per unit

3" meter

\$ 499.14 per unit

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

Commercial Commodity Charge	\$ 11.85 per 1,000 gal. or 134 cft.
-----------------------------	--

***A “Fire Line” customer will be billed a monthly base facilities charge of a 5/8” meter or at the rate of any other meter size used as a detector.**

Hydrant Meter Program

A contractor, developer, or other commercial customer (the “Hydrant Customer”) requiring water service for a limited duration, where no other water service is available to the customer, may, where practicable, take water service from the Utility’s nearest available hydrant. In such cases, the Hydrant Customer shall obtain from the Utility a 2-inch meter and affix the meter to the hydrant(s) closest to its work site(s). The Hydrant Customer shall be charged the appropriate Base Facilities Charge for a 2-inch meter and for actual water consumption. Every 25 to 35 days, the Hydrant Customer shall make the meter available to the Utility for the reading of its water usage and associated monthly billing. In addition, the Hydrant Customer shall pay Utility a deposit of \$1,100.00, which represents the approximate cost of the meter, prior to receiving the 2-inch meter. The Utility shall refund the Hydrant Customer’s deposit upon the prompt return of the meter in good working order. If the meter is lost or determined to be damaged upon return, the Utility may withhold all, or a portion, of the deposit amount as reasonable compensation for the Utility’s loss.

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

WATER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES

1. Terms and Conditions

A. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

B. Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

C. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

D. When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

E. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

F. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

G. Cross-Connection Inspection

Any customer installing, permitting to be installed, or maintain any cross connection between the Utilities water system and any other non-public water system, sewer, or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended for time to time. Such a customer shall have such cross connection inspected by a licensed certified tester and provide to Utility a copy of written inspection report indicating the back-flow device is functioning properly and testing results submitted by the tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later June 30th of each year for required commercial customers and no later than June 30th of every other year for required residential customers. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill. If after inspection and testing by the Utility's certified tester, the back-flow device fails to function properly, the customer will be notified and given a 30 day period in which to have the back-flow device repaired or replaced with a subsequent follow-up inspection by a licensed certified tester indicating the back-flow device is functioning properly. Failure to submit a report indicating the back-flow device is functioning properly will result in discontinuation of water service to said customer until such time as a passing inspection report is received by Utility.

H. A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

I. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing water utilities.

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

2. Non-Recurring Charges

A. Water Service Connection (New connections only) - \$300 per SFE*

B. Plant Impact Fee (New connections only) - \$400 per SFE*

The Plant Capacity Fee reflects the portion of plant capacity which will be used to provide service to the new customers as authorized by Commission Rule R. 103-702.13. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing water production, treatment and/or distribution facilities that are essential to provide adequate water service to the new customer's property.

C. Water Meter Installation - 5/8 inches x 3/4 inches meter \$45.00

All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$45 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's actual cost of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

D. Customer Account Charge – (New customers only) \$30.00

A one-time fee to defray the costs of initiating service.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R.103-732.5, a reconnection fee shall be due in the amount of \$40.00 and shall be due prior to the Utility reconnecting service.

F. Tampering Charge: In the event the Utility's equipment, water mains, water lines, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
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SCHEDULE OF RATES AND CHARGES

SEWER

Service Territory 1 and 2

Monthly Charges – Sewer Collection & Treatment Only

Where sewage collection and treatment are provided through facilities owned and operated by the Utility, the following rates apply:

Residential - charge per single-family house, condominium, villa or apartment unit:	\$65.08 per unit
Mobile Homes:	\$47.50 per unit
Commercial	\$65.08 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Monthly charge – Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential – per single-family house, condominium, or apartment unit	\$65.08 per unit
Commercial	\$65.08 per SFE*
Wholesale Service (Midlands Utility)	\$N/A per SFE*
The Village Sewer Collection	\$33.86 per SFE*

* Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

**SEWER SERVICE
TERMS AND CONDITIONS**

Blue Granite Water Company
(formerly Carolina Water Service, Inc.)
Docket No. 2017-292-WS
SCHEDULE OF RATES AND CHARGES

AND
NON-RECURRING CHARGES

1. Terms and Conditions

- A. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.
- B. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

C. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

D. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

E. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving sewer system.

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In no event will the Utility be required to construct additional sewer treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

F. A Single Family Equivalent (“SFE”) shall be determined by 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service, plant impact fee and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer’s premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer’s equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

G. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission’s rules and regulations governing wastewater utilities.

2. **Solids Interceptor Tanks**

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. **Pumping Charge**

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for the pumping tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. **Pump Repair or Replacement Charge**

If a separate pump is required to transport the customer’s sewage from solids interceptor tank to the Utility’s sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement as a separate item in the next regular billing to the customer and may be paid for over a one-year period.

C. **Visual Inspection Port**

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer’s expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

Blue Granite Water Company
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SCHEDULE OF RATES AND CHARGES

3. Non-recurring Charges

A. Sewer Service Connection (New connections only) \$300 per SFE

B. Plant Capacity Fee (New connections only) \$400 per SFE

The Plant Capacity Fee shall be computed by using South Carolina DHEC "Guide Lines for Unit Contributory Loadings to Wastewater Treatment Facilities" (1972) to determine the single family equivalency rating. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing treatment and/or collection system facilities that are essential to provide adequate treatment and disposal of the wastewater generated by the development of the new property.

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

C. Notification Fee

A fee of \$15.00 shall be charged to each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

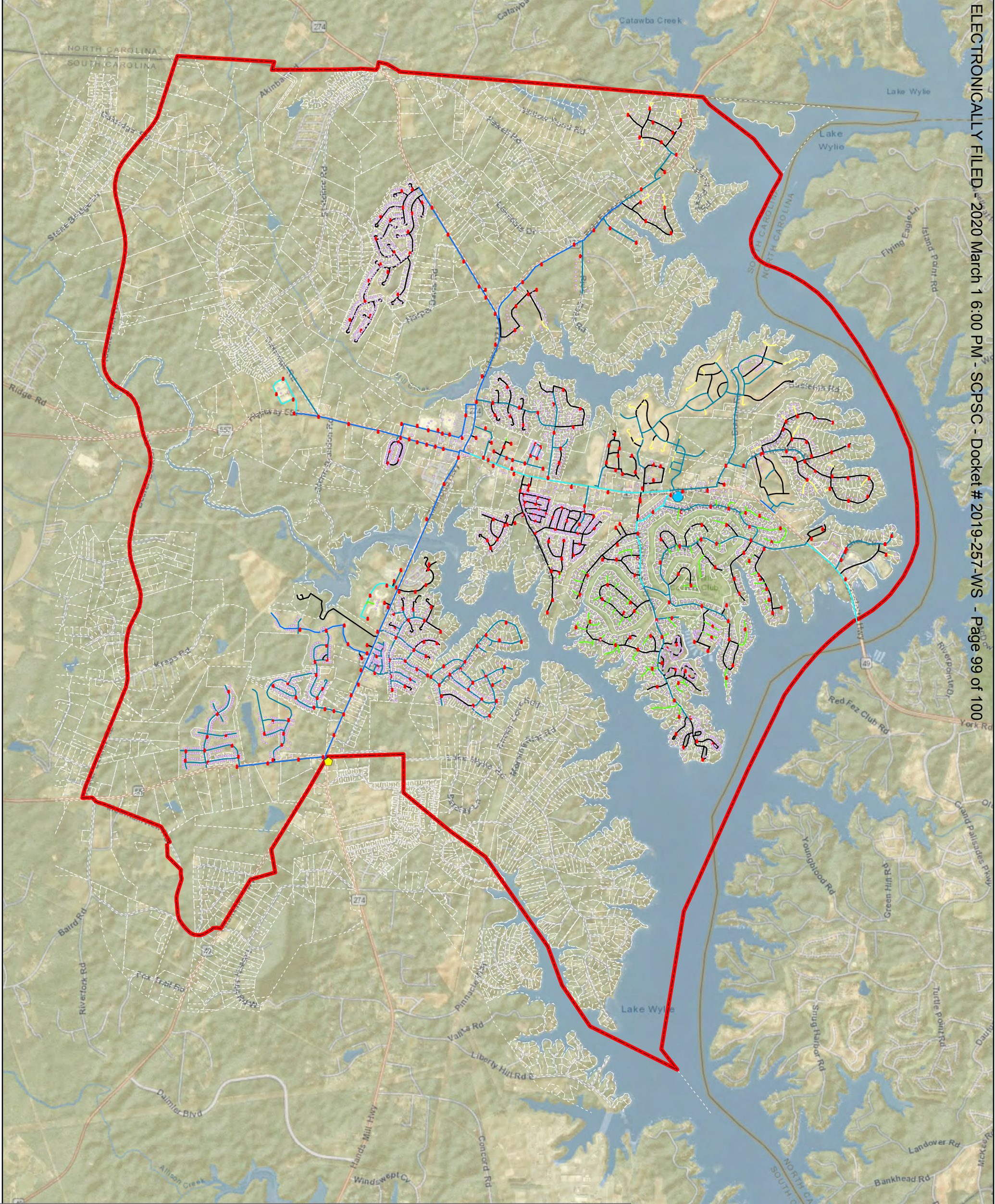
D. Customer Account Charge - (New customers only) \$30.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4 a reconnection fee in the amount of \$500.00 shall be due at the time the customer reconnects service. Where an elder valve has been previously installed, a reconnection fee of \$40.00 shall be charged.

F. Tampering Charge: In the event the Utility's equipment, sewage pipes, meters, curb stops, service lines, elder valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

Appendix F: Map of Proposed Improvements



Reservior

Tank

CustomerMTR

Hydrant

ServiceArea

Parcel

Pipe

Diameter

2"

4"

6"

8"

10"

12"

16"

Existing System Map
River Hills Distribution System Modeling
Carolina Water Service

CGRE180027
10/5/2018

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BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
Docket No. 2019-257-WS

IN RE:)	
)	
Blue Granite Water Company's Request)	BLUE GRANITE WATER
for Approval of Water and Sewer)	COMPANY'S LAKE WYLIE
Agreements)	WATER MANAGEMENT PLAN
_____)	

This is to certify that I, Samuel J. Wellborn, attorney with the law firm of Robinson Gray Stepp & Laffitte, LLC have this day served a copy of the Lake Wylie Water Management Plan in the referenced matter to the parties listed below by electronic mail:

Jeffrey M. Nelson
Chief Legal Officer
S. C. Office of Regulatory Staff
jnelson@ors.sc.gov

Dated at Columbia, South Carolina, this 1st day of March, 2020.